

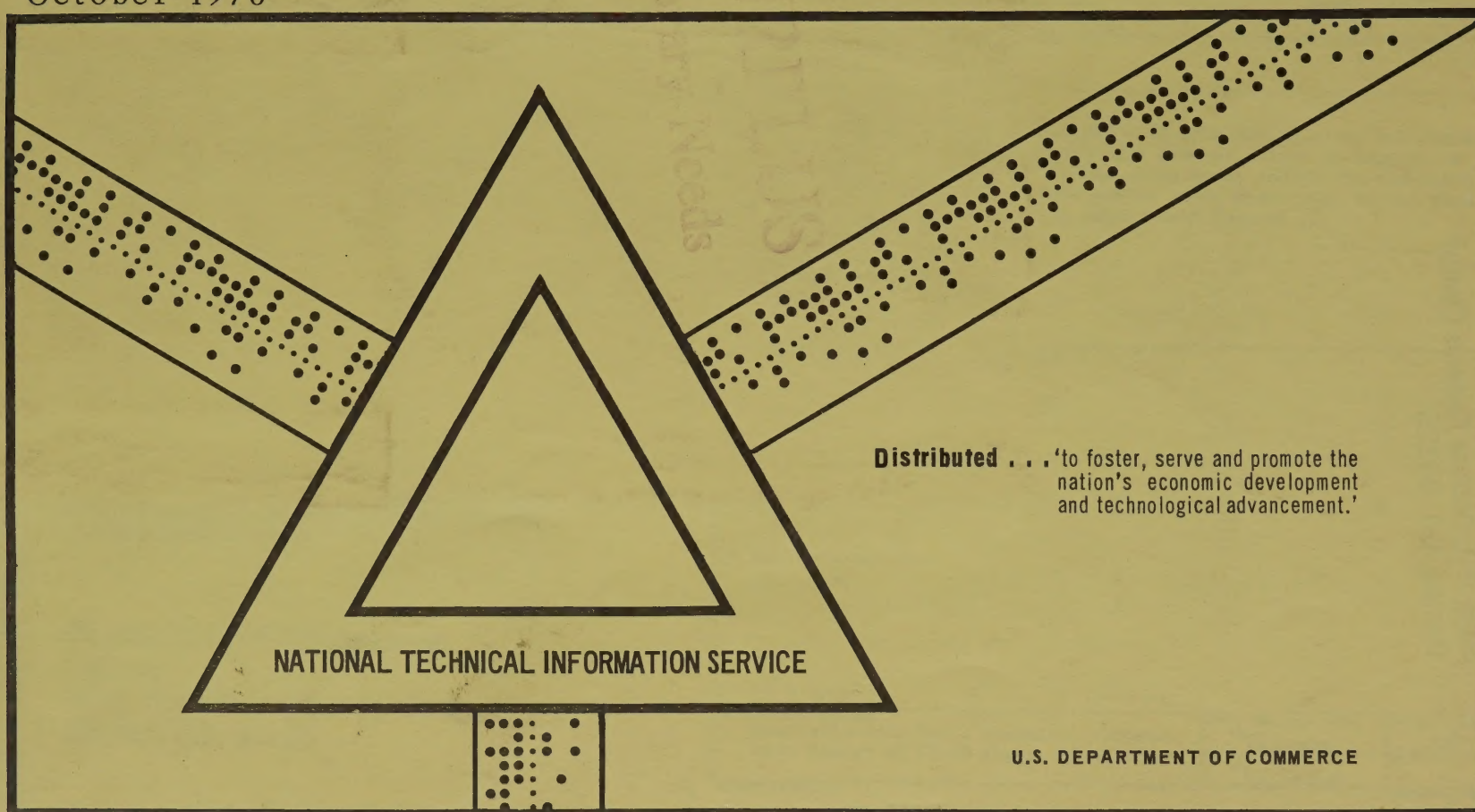
FUTURE DEMANDS ON THE PUBLIC LANDS. VOLUME IV. PROBABLE
FUTURE DEMANDS ON THE PUBLIC LANDS FOR NEW CITIES AND
URBAN EXPANSION

Marion Clawson, et al

Public Land Law Review Commission
Washington, D. C.

October 1970

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FUTURE DEMANDS ON THE PUBLIC LANDS

Volume IV

Probable Future Demands on the Public Lands
for New Cities and Urban Expansion

A Study Prepared
for the
Public Land Law Review Commission

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Contractors:
Urban America, Inc.
Daniel W. Cook

Consultants:
Marion Clawson
Raymond M. Smith

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FUTURE DEMANDS ON THE PUBLIC LANDS. Volume IV:

Probable Future Demands on the Public Lands for
New Cities and Urban Expansion

by Urban America, Inc. et al.

Republished with revisions October 1970

note: This volume is the fourth in a four-part study of Future Demands on the Public Lands, prepared by the Commission staff with the assistance of four contractors and two consultants. The other three parts, published in three separate volumes, are subtitled as follows: Vol. I, Policy Impacts of Future Demands; Vol. II, Projections of the Consumption of Commodities Producing on the Public Lands of the United States 1980-2000; and Vol. III, Probable Future Demands on Public Lands.

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INTRODUCTION

General

The Public Land Law Review Commission was established by law to review the laws, policies, regulations, and practices of the Federal Government with respect to the Federal public lands and to recommend whether these lands should be (a) disposed of or (b) retained and managed, so as to obtain the maximum benefit for the general public. In the law creating it, the Commission was directed to "compile data necessary to understand and determine the various demands on the public lands which now exist and are likely to exist within the foreseeable future."

This report, Probable Future Demands on the Public Lands: New Cities and Urban Expansion, deals with the use of public lands for urban and urban related purposes. These include the use of land for essentially private functions, such as residences or private businesses that are generally urban in character, as well as those purposes that are generally public in character, such as streets, airports, sewage and waste disposal, and urban parks.

The materials contained in this report are part of the Commission's study of Probable Future Demands on the Public Lands, which was designed to fulfill its statutory directive. Two previous reports have been distributed to the Commission and its "official family". The first of these, Projections of the Consumption of Commodities Producing on the Public Lands: 1980 and 2000, was prepared under contract by Robert R. Nathan Associates, Inc., of Washington, D. C., and was distributed in June, 1968. This report was intended to provide consistent national and, in a few cases, regional projections of overall trends in consumption of those commodities that are produced in part on the public lands. The projections were utilized in the various Commission studies that dealt with individual commodities.

One of the commodities being considered by the Commission is use and occupancy of the public lands, which is defined to

cover those uses that involve primarily spatial values. Thus, the use and occupancy "commodity" covers rights-of-way, reservoir sites, sites for communications facilities, areas used for specific research activities, and sites for the conduct of governmental operations such as district ranger stations, as well as the use of land for urban and urban related purposes.

In the "Nathan Report", projections were made of some of the likely future requirements for land for selected aspects of the use and occupancy commodity. However, reliable data on the areas of land involved in the uses are available for only a few of the various uses included in the "commodity". In other cases, data that can be used to measure the extent of the use are available, but they cannot be readily translated into land requirements. For example, there are data on the mileage of gas and electric transmission lines, but translating these into requirements for land areas can be done only on the basis of rather gross assumptions. This is also true to some extent of data relating to urban uses of land. Land now located within the defined limits of urban places but not now committed to specific urban purposes will be a source of land to meet future urban needs as well as land that is now located outside of defined urban areas. But data on the extent to which land within urban places is now being used and how uses are likely to change in the future to meet changing needs are not readily available. The net result is that the Nathan Report was less successful in dealing with the use and occupancy commodity than with most other commodities and its treatment of urban uses failed to provide a good framework of future requirements for use in the other Commission studies.

The second report dealing with demands on the public lands is Probable Future Demands on the Public Lands, prepared under contract by Professor Robert S. Manthey of Michigan State University and distributed to the Commission in December, 1969. The purpose of this report was to translate the general projections of demands in the Nathan Report into projections of possible demands that might be placed on the public lands. To do this, it was necessary, first, to examine the Nathan projections in the context of information that was made available to the Commission since the Nathan Report was completed and, second, to develop data series on trends in the production of the various commodities on the public lands. These trends, which

were based largely on information developed in the commodity studies prepared for the Commission, were examined and projected on the basis of informed judgments to show possible pressures to be placed on the public lands for the production of these commodities in the future. Again, data that show past uses of public lands for urban purposes, as one of the major aspects of use and occupancy, were not available to the contractor for use in the report and, thus, projections of possible demands to be placed on the public lands for urban purposes were not developed.

The use of public lands for urban purposes was one of the matters dealt with in the study of Federal Public Land Laws and Policies Relating to Use and Occupancy, prepared under contract by Daniel, Mann, Johnson and Mendenhall, of Los Angeles, and distributed to the Commission in September, 1969. This study provided a description of the existing legal framework for making public lands available for urban purposes and for the other occupancy purposes. With respect to urban purposes, the townsite laws, the Recreation and Public Purposes Act, and the Public Land Sale Act of 1964 provide a number of means of making lands available depending upon the specific purposes for which lands are to be used and the conditions under which the lands are transferred out of Federal ownership. These laws were covered in the use and occupancy study. In addition, the study covered some aspects of the use of public lands for wholly new cities on the public lands, but this was only one aspect of the study and did not provide information that was adequate for Commission consideration of the topic.

The present report covers the use of public lands for both expansion of existing communities and for the development of wholly new urban places planned from the start to grow into cities of substantial size. The existing structure of laws generally make it possible to transfer lands out of Federal ownership to meet the needs of expanding communities. The townsite laws were originally intended to provide a means of making lands available for new towns in the unsettled public land areas. They are still available and perhaps useful for this purpose as long as the requirements are for a method of making lands available in relatively small parcels to permit the growth of towns from small settlements into small villages and eventually in larger urban places. There is no legal

framework now available for making large areas of public lands available at one time in a manner that will encourage the development of urban places that are planned from their inception to meet the ultimate need for governmental services, parks, and an efficient and desirable environment in which to live.

It isn't clear that such a legal framework is necessary. Planned new towns have many aspects that are considered desirable by many people. On the other hand, it is pointed out by many that planned towns have been tried in some areas and have met with mixed success. For example, the planned city of Reston, a Washington, D. C. satellite city, has met with considerable critical acclaim but has run into financial problems that have required changing initial plans and ideas. It is also evident to those familiar with the public land areas that much of the public lands may not provide a suitable economic basis for new cities and, in some cases, may not even provide a wholly satisfactory environment. It is also pointed out that the possible objectives sought by the Federal Government in encouraging the development of wholly new cities are not well defined and may not be well served through modifications in public land policy.

The Commission undertook this portion of the Demand Study to develop information to provide a basis for evaluating the problems posed by future use of the public lands for urban expansion and for the development of wholly new cities. The report provides information developed in several separate sections of the overall report, which are identified and described below.

1. A report, Study of New Communities and the Public Lands, prepared under contract by Urban American, Inc., of Washington, D. C. This portion of the study provides information relevant to the development of a policy framework, if it is desirable, for making lands available for new cities, as distinct from the expansion of existing communities, and a discussion of the relationship of public lands to such a policy framework. This involved a review of several recent approaches to the development of new urban areas. The contract for this report required coverage of the same points covered in the Commission's letter to the Idaho Commission on Federal Land Laws. This report was prepared by an organization familiar with urban problems and urban perspectives in general.

2. Speech titled, "A Westerner Looks at Urban Land Strategy", given by Orme Lewis, Deputy Assistant Secretary of the Interior for Public Land Management. In commenting on the use and occupancy study prepared for this Commission, Solicitor Melich, representing the Secretary of the Interior, noted the discussion of the possible use of public lands for urban purposes, and stated, "One of the more important use and occupancy questions is the role that Federal lands may be able to play in the development of 'new towns' and 'new communities' of substantial size. There is some indication that Federal lands could play a considerable role rather than a 'small role' as the authors have advised." Subsequently, he furnished us with a copy of a talk given that same day by the Deputy Assistant Secretary for Public Land Management on the subject and it is included at this point.

3. A report on a survey conducted by the Idaho Commission on Federal Land Laws, which was prepared in response to a suggestion from the Public Land Law Review Commission. The letter containing the suggestion is included in this report along with the report of the Idaho Commission, which is based on a survey of all cities, villages and counties in Idaho as to their experiences in obtaining public lands for their needs and their views as future needs for the expansion of existing communities and for the creation of new towns.

4. Letters from the Governors' Representatives to the Public Land Law Review Commission prepared in response to a request from the Commission to provide their assistance by indicating their views as to the utilization of public lands in their states for the expansion of existing communities or the creation of new ones.

5. A report prepared by Thomas C. Lee of the Commission staff and a consultant, Raymond Smith of Raymond Smith and Associates, Reno, Nevada, concerning several laws intended wholly or in part to make public lands available for community expansion purposes. The report consists of a review of several laws, each of which was to make public lands available to a specific governmental entity in Nevada, and a review of the actions that have taken place under these laws with respect to making lands available to governmental entities for further disposal to private individuals. The several specific acts,

which were to make land available to Nevada and which are examined in this report, were passed in the decade prior to passage of the Public Land Sale Act and were intended to meet specific needs. The Public Land Sale Act of 1964, on the other hand, provides a more general policy framework for making lands available to private individuals or to other governmental entities for a variety of purposes. One of the intents of this law was to provide a policy framework that would enable the Federal Government to make lands available to local governments in fairly large parcels with the idea that the local government would then be able to subdivide this land for further disposal to individuals. Thus, the task of subdividing lands and doing the necessary planning for streets and other services with respect to such land disposals would be a clear responsibility of local government.

6. A report, New Cities and the Public Lands: Towards a New Urban Frontier within the Context of a National Urban Development Policy, prepared under contract by Daniel W. Cook, San Ramon, California. The thrust of this report is that the public lands should be used to encourage a relative migration away from existing urban places by providing urban homesites to those who would develop them all in the context of carefully planned new cities located throughout the public land areas of the western United States. The contractor views this policy, if adopted, as a replacement for the agricultural homestead laws and a way of meeting future needs for urban living with a fully planned approach so as to achieve optimum development in a planned environment.

7. A paper, New Towns and Federal Lands, by Marion Clawson of Resources for the Future, Inc., of Washington, D.C. This paper, by a former Director of the Bureau of Land Management, discusses the suitability in general terms of the public lands for the development of wholly new planned cities. It points up some of the problems of arid lands in remote regions that would have to be overcome to make a policy of encouraging the development of new towns on the public lands an economically and socially desirable objective.

Summary

Taken as a whole, the separate sections of this overall report provide considerable background information relating to possible future demands to be placed on the public lands for urban purposes and for examining the policy framework for making lands available for these purposes. The report does not, however, provide data that are sufficient for making definitive projections of the areas now in public lands that will be needed for urban purposes in the future.

On the basis of the acreage of public lands that has been transferred directly to communities or individuals for urban purposes in recent years under the townsite laws, the Public Land Sale Act of 1964, and the various special acts such as those for Nevada, it appears that the acreages to be transferred in the future will not be so great as to seriously impair commodity related programs on the public lands. On the other hand, some of the materials in this report suggest that there are still some barriers to the transfer of public lands, which, if removed, could lead to greater acreages being transferred in the future. Further, the establishment of policy for creating new towns and cities in public land areas could also require more public lands in the future. Not all public lands, of course, that ultimately end up in urban uses pass directly from Federal ownership into such a use. Most of the land now being used for urban purposes in the public areas passed out of Federal ownership and into private ownership under the agricultural land laws and various railroad and state grants; it was only after being used for agriculture or other purposes for many years that such lands were shifted into urban uses. This process will undoubtedly provide the source of much of the lands that will be required for urban purposes in the future in public land areas.

The various sections of this report provide background and information useful in analyzing policy considerations relevant to the use of public lands for urban purposes. The results of these sections are discussed below in terms of expansion of existing communities and in terms of creating new towns in public land areas.

Expansion of Existing Communities

The existing legal and policy framework provides the means for making public lands available to meet the needs of community expansion, at least to the extent that public domain lands administered by the Bureau of Land Management are concerned. Where national forest lands block community expansion, the policy framework generally requires that exchanges of lands be made between the Forest Service and the entity desiring lands for community expansion. Alaska provides an exception to this general rule; under the Statehood Act, up to 400,000 acres of national forest lands are to be made available for selection by the state to meet the needs of community expansion. The problems relating to making national forest lands available for community expansion, including the unique problems of Alaska, have been examined in detail elsewhere in the Commission's study program and will be given no further consideration here.

The existing townsite laws, the Recreation and Public Purposes Act and the Public Land Sale Act have provided a generally suitable policy structure for transferring public lands out of Federal ownership to meet community needs. However, the information contained in this study suggests that there are some limitations on the extent to which actually transferred out of Federal ownership. In recent years, the public land sales provision of the Taylor Grazing Act has provided the major avenue, in terms of area, for making lands available for community purposes. The Small Tract Act and the townsite laws are used only rarely now and the Recreation and Public Purposes Act provides for the transfer of about 2,500 acres per year for urban occupancy uses. The Public Land Sale Act of 1964 has apparently been little used for transferring lands to communities for further disposition to individuals, although it has been used to some extent to provide for transfers to communities for public purposes.

There is no evidence presented that suggests that there is a generally unsatisfied demand on the part of communities for public lands, although it is also clear that some communities do have specific demands that are not being met quickly. The problem of clearing title to lands to be transferred is sometimes mentioned as one deterrent to rapid transfer of lands, but if this is important, it is only as a matter of delay

rather than an ultimate deterrent to transfer. The material on the Nevada cases suggests that the lack of financial capability on the part of the communities has limited their ability to acquire the Federal lands. Not only do the communities have to carry the cost of the lands at the time of transfer, but they have to bear the costs of planning development of the lands and those of putting in facilities. This has also apparently been a deterrent to use of the Public Land Sales Act of 1964 as a vehicle for transferring lands to communities for further disposition to individuals.

Nevertheless, the vehicle for transfer of public lands to meet community expansion needs is available in the Public Land Sale Act of 1964, which also provides a vehicle for transfers related to a number of other purposes. Providing a means for overcoming the apparent problem of lack of financial capabilities on the part of communities would remove perhaps the major limitation on available means for transferring public lands to meet community expansion needs.

Creating Wholly New Towns

The townsite laws were not designed to provide public lands in parcels of sufficient size and under conditions that are conducive to the establishment of new towns that are planned from their inception to reach a substantial size in a relatively few years. Likewise, the Public Land Sale Act of 1964 was not specifically designed to make public lands available in the above manner, although it could perhaps be used in that fashion. Whether or not some modifications in the Public Land Sale Act or a new policy structure are needed to make public lands available in this manner depends in part on the objectives that are to be served by such a policy and by the means by which such a policy is to be implemented, if it is decided that a new towns policy is desirable.

Four possible objectives of a new town policy are listed in the section of the report, Study of New Communities and the Public Lands. These are:

1. National population redistribution and economic reorganization;
2. Demonstration and experimentation, both technological and social;

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3. Accommodation of resource development objectives such as atomic energy or oil, and of the special needs of certain badly lagging areas where opportunities are declining;
4. Promotion of urban growth in more orderly, concentrated form, possibly in concert with encouragements to urban decongestion.

The Federal Government has previously pursued new town developments with all of these objectives in mind in one case or another. The third objective, accommodation of resource development, was the primary objective in the case of Los Alamos, New Mexico. The other objectives were pursued in the 1930's in the case of the Federally sponsored "greenbelt" towns and other towns developed by the Resettlement Administration. The three "greenbelt" towns are Greenbelt, Maryland; Greendale, Wisconsin; and Greenhills, Ohio. These were developed as suburban communities outside large cities primarily directed at meeting the second objective, demonstration and experimentation, and the fourth objective, promotion of urban growth in a more orderly and planned manner.

The Resettlement Administration also was responsible for the development of "new towns" that were primarily directed at the first objective, national population redistribution and economic reorganization, and at part of the third objective, accommodation of the special needs of badly lagging areas where opportunities are declining. Three examples of this approach are Roosevelt, New Jersey, which was settled largely by people relocated from New York City and was planned as a sort of cottage industry town; Dailey, West Virginia, which was planned as a town whose major economic activity was lumbering; and Arthurdale, West Virginia, whose major economic activity was to be crafts and cottage industry. The concept behind the development of these three towns was quite different from that behind the greenbelt towns. While the greenbelt towns were intended to be dependent on major cities for economic activity, and were planned to have between 20,000 and 55,000 people, the other class of towns was intended to be largely self-sufficient and to have considerably smaller populations.

The experience with both categories has been generally successful in terms of the objectives that were sought. The

greenbelt towns did, in fact, demonstrate that careful planning can make suburban life more pleasant and they have become, in a general way, a model for many suburban developments. The other class of towns was perhaps less successful as a demonstration of a model concept, but each town has proven to be reasonably viable even though the West Virginia towns have had to face the problem of a relative decline in the overall economy of the state. As models for a new town policy in the public land areas under the conditions of the 1970's, however, neither class of town provides a really good model, although both wholly new satellite cities that would be largely dependent on major urban areas for economic activity and new towns that would be economically viable by themselves are possibilities for public land areas.

Even if a policy framework is available for providing public lands for the development of new towns, the real direction of events may well be toward the expansion of existing communities. A basis of economic activity, the transportation and services infrastructure, and the governmental organization are already established for existing communities, most of which were located where they are because of geographic or economic factors that made these locations most favorable at the time the towns were established.

It is sometimes suggested that the locational factors for new towns are quite different from what they once were. The airplane and the relative expansion of light industry, such as electronics, has made location independent to some extent of the traditional freight-hauling transportation systems, such as railroads and waterways. It is also suggested that the increasing importance of recreation and leisure time makes the location of towns close to desirable recreational facilities and free of the many problems of existing urban areas relatively more important today than they once were. Taken together, these factors suggest that the development of new towns is more likely today than it once was, but the advantages of expanding existing communities are still substantial and are likely to override the advantages of locating new towns unless a positive policy structure is designed to overcome these advantages.

Public lands are, of course, only one part of a possible Federal policy for encouraging the development of new towns.

While land costs are one important component of the overall development costs of a new town, the problem of putting together a tract of land large enough in area and of a suitable condition is a difficulty that must be overcome. Thus, one of the advantages of using public lands to promote such developments is that they are often available in large tracts. On the other hand, inholdings, claims, and current uses may place some limits on the extent to which public lands can be put together in nonencumbered parcels.

Many other aspects of an overall Federal policy framework, in addition to making public lands available, are important to the possible development of new towns. As indicated earlier, the basic objectives of pursuing a new towns policy may dictate particular facets of Federal involvement. For example, if the policy is to be based on bolstering sagging economies, the development of new towns may hinge on Federal encouragement to the establishment of new industries in underdeveloped regions. On the other hand, if the policy is one directed primarily at providing an attractive alternative to living in existing cities, new towns may be developed primarily as satellites to existing cities. The relative role of public lands in these two cases would be quite different. Also, the encouragements offered by the Federal Government in the form of grants, tax provisions, planning help, and transportation development would undoubtedly differ.

If public lands are to play a role in a Federal new towns policy, whatever the scope of the policy, the manner in which the public lands would be made available would have to be defined. First, a determination would have to be made as to the utility or entities that could obtain public lands. Private developers, Federally chartered development corporations, state development corporations, existing local governments, or even individuals could be the initial recipients of public lands. Second, the amount of land to be made available in total and the stages in which it would be made available should be specified. Third, the conditions that would attach to transfer of the lands would have to be specified. What sort of a development plan would be required and what development requirements, if any, would be established? Restrictions on use and reservations in Federal control would have to be identified. Reverter clauses and time limits on reverters should also be specified. Fourth, the price at which lands

would be transferred, the method of establishing the price, and the conditions and timing of payments to the Federal Government would have to be specified.

Each of these ingredients of a possible new towns policy that would utilize public lands involves several possible alternatives. The existing policy structure for making public lands available for urban purposes does not deal with all of these aspects, which would have to be developed so as to be internally consistent. One possible approach to the establishment of a new towns policy structure would be to amend the Public Land Sale Act of 1964 so as to take into account the particular requirements of making public lands available for new towns. Another possible approach would be for Congress to establish a policy to take up possible new town developments involving public lands on a case by case basis. This would make it possible to tailor the specifications of each case to the particular conditions that are involved and to keep from making major commitments in a policy area that has many unresolved conditions. Since a single new town proposal may well involve 25,000 acres of land, it is not unreasonable to expect Congress to give such a land disposal specific consideration.

This study report leaves unresolved the dimensions of possible future public land requirements to meet the needs of urban places. The study does not, nor was it intended to, provide new data on trends in the areas of public land going into urban uses. It does, however, point up the possibility of establishing a new towns policy structure involving public lands. The establishment of such a policy would have a considerable impact on the future demands to be placed on public lands for urban purposes. The study also points up the importance of timing of making land available and phasing of payments and other requirements, all of which would affect the time at which demands for public lands would be created.

In sum, the future use of public lands for community expansion and for the creation of new towns will have an impact in terms of the acreage of public land that will be required for these purposes, but the actual acreage to be required will depend on the future policy structure for these purposes. The policy structure that is developed, in any case, will have to be based on a complex of factors, only one of which is the public land base that will be used.

Section I

(136)

STUDY OF
NEW COMMUNITIES AND THE
PUBLIC LANDS

Prepared under contract with the
PUBLIC LAND LAW REVIEW COMMISSION

APRIL 1970

by
THE URBAN POLICY CENTER
URBAN AMERICA INC.
Washington, D.C.

FOREWORD

This study was conducted by the Urban Policy Center of Urban America Inc. (which merged with the Urban Coalition to form The National Urban Coalition in March 1970) under Center Director Jonathan B. Howes. Project Director of the study was Associate Center Director William K. Reilly. Mr. Reilly and Sara Mills Mazie of the Center staff, were the principal authors.

Gary Warren Hart, a Denver, Colorado attorney, consulted with Urban America Inc. on the report and drafted the section dealing with conditions for the disposition of public lands.

Marilyn Housell of the Urban Information Center of Urban America Inc. assisted with the graphics contained in the report.

Under the contract, dated January 12, 1970, Urban America Inc. agreed to respond to the following six questions posed by the staff of the Public Land Law Review Commission:

1. The status of plans and recommendations for the development of a Federal policy to support or encourage the development of new urban areas; from which the Commission could develop an assumption as to the rationale of such federal policy, particularly in the Western public land states.
2. Without regard to a specific Federal policy to encourage the development of new urban areas, what are the locational forces, if any, that would tend to bring about such developments in the Western public land regions?
3. The factors that influence whether urban expansion will most likely occur as additions to existing urban areas or as wholly new urban areas in public land states; how those factors are now developing.
4. Factors that influence the requirements for the development of viable new urban areas in regions where they do not now exist, with particular emphasis on the characteristics of possible viable new urban areas in the public land regions.

5. The role public lands might play in the development of new urban areas in public land regions including the various conditions, such as area, phasing of land availability or price, under which public lands might be made available if they are to contribute to the development of new urban areas and the alternative probable impacts through use of different conditions.
6. Factors to be taken into consideration by the Commission in formulating recommendations for statutory or regulatory criteria providing for the use of public lands in the development of new urban areas in public land regions. In any event, while we want viewpoints, we do not want recommendations for future policy as these will be made by the Commission.

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SUMMARY

A national program of new town development in which public lands are made available as town sites might conceivably serve any of four broad objectives:

- (1) national population redistribution and economic reorganization;
- (2) urban demonstration and experimentation, both technological and social;
- (3) accommodation of resource development objectives, such as atomic energy or oil;
- (4) promotion of urban growth in more orderly, concentrated form, possibly in concert with encouragements to metropolitan decongestion.

The first of these objectives would be the most costly and complicated to achieve, involving extensive redirection of investments away from presently preferred metropolitan areas. The second and third objectives may not require an extensive, costly national program since the number of new cities they might entail is likely to be small. The fourth objective appears to be most compatible with current American thinking on urban problems. This objective would be served by an urban growth strategy which seeks to accommodate the two broad population trends of metropolitanization and suburbanization, and attempts to induce more orderly, concentrated settlements in outlying areas in order to avert sprawl, preserve intervening open spaces and achieve a better quality of urbanization.

Public assistance for new communities is provided, on a small scale, by federal legislation. Those who currently support greater governmental encouragement to new communities do so generally because they advocate a national urban growth strategy in which new communities would be an important component, or because they want government to demonstrate that a higher quality of physical design than is currently being produced is realizable.

State involvement in new community construction has been undertaken by New York State through its Urban Development Corporation, a public authority with unique powers to override local zoning and building codes which obstruct urban innovation. Two new cities are currently being planned by New York State.

The basic locational conditions encouraging new town development are accessibility to markets and supplies, the availability of some essential resources such as water, and certain topographical advantages. While these forces will continue to influence locational decisions, their importance can be expected to diminish. Under all circumstances the attractiveness of a potential site will depend on the type and size of development being considered and the advantages of the site relative to those in competing locations. In cases where markets do not already exist, new town development is more difficult but not impossible, requiring that the developer provide those essential supply-and-demand forces in his new town which are not available locally.

Population trends in the West show growth rather narrowly confined to the metropolitan areas along the Pacific Coast and in free-standing metropolitan areas in Arizona, New Mexico, Colorado and Utah. Those areas experiencing the greatest growth are found in Southern California and the Southwest, where some SMSAs are expected to increase their population by 80 percent in the 1970-1980 period. In those western metropolitan areas which meet the minimum population requirements of an SMSA, and which are expected to increase in population by more than 50,000 people during the next ten years, there is potential for new city development. For all the SMSAs in the West where the population criteria for new city development are satisfied, public lands in large tracts are situated within 50 miles of the urbanized area. Therefore, under an accommodationist urban growth policy, it is feasible to consider new town sites on public lands outside every major metropolitan area in the West.

There are 92 smaller non-SMSA Western cities with a minimum population of 5,000 situated close enough to large tracts of public lands to permit their accelerated development on the public lands. Of these cities, 55% are contiguous to public lands. The population growth of these cities over the last 9 years varies significantly with 41% growing at rates less than the national average for nonmetropolitan cities. An urban growth policy designed to increase opportunities

in rural and small town America or to revive the economies of lagging regions might encourage the expansion of some of these cities by concentrating development on adjacent public lands.

Public lands can be made available for the development of new cities, but presently existing statutes are inadequate for disposition of public lands for major self-sustaining urban areas. To design new legislation sufficient to carry out a program of new city development on public lands, it is necessary to define the role of the Federal Government in this effort.

Even if the Federal Government does not actively develop a national urban development strategy, legislation should be passed authorizing conveyances of fee simple title to public lands to private developers, with sufficient acreage to sustain major projects, at fixed acreage prices or for appraised fair market value discounted for public facility investments, with expansion of loan guarantee programs, at sites to be classified by the land administration agencies for urban development purposes.

However, if new city development projects are seen as part of an overall national urban growth policy, the Federal Government may make public lands available as one means of solving present financial barriers to new city development, under conditions which would promote excellence in design and concept, establish an economically sound and balanced community, and create a new arena for the solution of human and social problems. This program could be carried out by attaching certain conditions to the disposition of public lands -- including open space and recreation areas -- involvement of all income levels, prevention of existing urban blight factors, and experimentation in innovative physical facilities and human programs. Public and private resources can be marshalled to overcome presumed locational barriers and to expand the number of available public land sites for new city development.

CHAPTER I

DEFINITION AND STATISTICAL SUMMARY OF PUBLIC LANDS

I. Definition and Description of Public Lands

The scope of the Federal lands considered in this study conforms to the Congressional mandate contained in Section 10 of Public Law 88-606 which requires the Public Land Law Review Commission to study and submit recommendations on the following lands: (a) the public domain of the United States; (b) reservations, other than Indian reservations, created from the public domain; (c) lands permanently or temporarily withdrawn, reserved or withheld from private appropriation and disposal under the public land laws, including the mining laws; (d) outstanding interests of the United States in land patented, conveyed in fee or otherwise, under the public land laws; (e) national forests; (f) wildlife refuges and ranges; and (g) the disposition or the restriction on disposition of the mineral resources in lands defined by appropriate statute, treaty or judicial determination as being under the control of the United States in the Outer Continental shelf.

By its very nature, a new town or new city demands a sizeable and cohesive tract of land. Thus, as a practical matter, the lands of most interest in the Section 10 definition are large tracts of public domain lands unencumbered by valid mining claims or entries under the various preemption laws, national forest parcels similarly unencumbered and not specifically under multiple use designation, non-Indian reservations whose specific purpose may have lapsed, and withdrawn land which is not designated for a higher and better use than new urban development.

II. Statistical Summary

Although statistical data concerning the public lands abound in the literature prepared by and for the Public Land Law Review Commission, a brief summary of the gross quantity and location of the public lands will provide a convenient point of reference for this study. For practical purposes, the "public land regions" as designated in this study are located west of the Mississippi River and specifically within the eleven contiguous Western states and Alaska. In terms of totally Federally owned acreage, these states may be ranked as follows:^{1/}

^{1/} U.S. Department of the Interior, Public Land Statistics 1968 (Washington, D.C.: Government Printing Office, 1968), pp. 10-37.

- (1) Alaska. 354,182,396 acres, constituting 96.9% of the State, are owned by the Federal Government. 301,142,586 acres are administered by the Bureau of Land Management and 20,735,040 acres are administered by the Forest Service.
- (2) Nevada. 60,723,195 acres, constituting 86.4% of the State, are owned by the Federal Government. 47,957,832 acres are administered by the Bureau of Land Management and 5,062,933 acres are administered by the Forest Service.
- (3) California. 44,401,332 acres, constituting 44.3% of the State, are owned by the Federal Government. 15,222,264 acres are administered by the Bureau of Land Management and 19,988,676 acres are administered by the Forest Service.
- (4) Utah. 35,079,176 acres, constituting 66.6% of the State, are owned by the Federal Government. 22,983,978 acres are administered by the Bureau of Land Management, and 7,994,410 acres are administered by the Forest Service.
- (5) Idaho. 33,979,389 acres, constituting 64.2% of the State, are owned by the Federal Government. 12,172,769 acres are administered by the Bureau of Land Management and 20,341,614 acres are administered by the Forest Service.
- (6) Arizona. 32,578,158 acres, constituting 44.8% of the State, are owned by the Federal Government. 12,926,006 acres are administered by the Bureau of Land Management and 11,341,614 acres are administered by the Forest Service.
- (7) Oregon. 32,176,517 acres, constituting 52.2% of the State, are owned by the Federal Government. 15,668,939 acres are administered by the Bureau of Land Management and 15,471,107 acres are administered by the Forest Service.
- (8) Wyoming. 29,285,445 acres, constituting 47.7% of the State, are owned by the Federal Government. 16,681,028 acres are administered by the Bureau of Land Management and 9,167,571 acres are administered by the Forest Service.

- (9) Montana. 27,662,480 acres, constituting 29.7% of the State, are owned by the Federal Government. 8,226,385 acres are administered by the Bureau of Land Management and 16,670,543 acres are administered by the Forest Service.
- (10) New Mexico. 26,550,259 acres, constituting 34.1% of the State, are owned by the Federal Government. 13,440,297 acres are administered by the Bureau of Land Management and 9,154,803 acres are administered by the Forest Service.
- (11) Colorado. 24,200,515 acres, constituting 36.4% of the State, are owned by the Federal Government. 8,459,473 acres are administered by the Bureau of Land Management and 14,347,828 acres are administered by the Forest Service.
- (12) Washington. 12,560,737 acres, constituting 29.4% of the State, are owned by the Federal Government. 273,748 acres are administered by the Bureau of Land Management and 9,700,193 acres are administered by the Forest Service.

CHAPTER II

THE NATIONAL INTEREST AND NEW TOWNS

Introduction

If public lands are to be made available for new town development, it is worth asking what national purposes would be served. The current vogue of interest in new communities has enveloped the issues in a rhetorical cloud which threatens to obscure a precise analysis of how the nation would benefit from such a program. Since it is unlikely that public lands would be provided for new towns except in accordance with the purposes of a national policy, it is necessary to define the possible national objectives of new town construction.

The purpose of this section is to present alternative national objectives of an urban growth policy that includes new town development as one component, and not to advance or reject any one of those considered. Therefore, we shall point out the implications of particular policies, and describe in general terms their foreseeable consequences for the public lands.

We may define four broad objectives of possible national interest in new town proposals:

1. National population redistribution and economic reorganization;
2. Demonstration and experimentation, both technological and social;
3. Accommodation of resource development objectives such as atomic energy or oil;
4. Promotion of urban growth in more orderly, concentrated form, possibly in concert with encouragements to metropolitan decongestion.

National Population Redistribution and Economic Reorganization

Population Growth Assumptions

The argument for large-scale redistribution of the population takes as its initial premise that something is wrong with the way the U.S. is presently growing. And it begins with a fearsome account of the

dimensions of anticipated population increase. Estimates regarding the size of the population in the year 2000 vary from a low of 220 million^{1/} to a high of 361.4 million,^{2/} depending on one's assumption about fertility trends. High estimates assign significance to the high fertility of peak postwar years. Lower estimates regard the more recent decline in American fertility rates, and the similar examples of Sweden and Japan, as more likely to characterize the future of an increasingly affluent, quality-conscious society. It seems reasonable to assume that the present course of fertility will either level off or decline further, especially if groups now characterized by high fertility -- the rural and urban poor -- progress economically and repeat the patterns of other Americans who, as they acquired more goods, had fewer children. The series D estimate by the Bureau of the Census makes this assumption and projects a population of 282.6 million in 2000. This represents an increase of something more than 75 million people by the end of the century.

Spatial Dimensions of Future Population Growth

Population movements in the postwar period have been characterized by the two overriding trends of metropolitanization and suburbanization. The great movement out of rural areas reached its peak during the war years, rose again in the early 1950s and has declined steadily since 1955, although relatively modest rural-to-urban migration continues. In 1960, metropolitan areas accounted for slightly less than 66% of the population, and by 1985 this proportion is expected to increase to 70.6%.^{3/}

Within metropolitan areas, central cities in 1960 accounted for slightly more than half (51.6%) of the total metropolitan population, with the residual urbanized areas, loosely known as suburban, accounting for 48.4%. A population study prepared for the National Commission on Urban Problems concluded that the suburban proportion of the metropolitan population will be 63.2% by 1985.^{4/} In other

1/ Donald J. Bogue, Principles of Demography (New York: John Wiley and Sons, 1969), p. 892.

2/ U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 388, "Summary of Demographic Projections," Series A Estimate, p. 2.

3/ Patricia L. Hodge and Philip M. Hansen, The Challenge of America's Metropolitan Population Outlook - 1960 to 1985, Research Report No. 3 prepared for the National Commission on Urban Problems (Washington, D.C., 1969), p.8.

4/ Ibid., p. 16.

words by 1985, 44% of the national population is expected to reside in the suburban ring of metropolitan areas. Thus, it appears that in the period 1960-1985, 79% of total net U.S. population growth will take place in suburban areas.

If the Western states are examined, the extent of the imbalance of projected growth is immediately apparent. The West is expected to lead the nation in overall percentage growth, increasing its share of the national population from 15.7% in 1960 to 19.4% in 1985.^{5/} During the same period the South is projected to increase its proportion of national population from 30.7% to 31.4%. However, if the West is considered without California, the region's increase projection as a percent of national population over the 25-year period is less impressive, amounting to slightly over 1%. The remainder of the region's proportional increase (nearly 3%) is attributable solely to population growth anticipated to occur in California.

Another way of looking at population growth imbalances has been developed by Jerome Pickard. Pickard uses a population growth estimate of 101 million for the period 1970-2000. He concludes that 85% of the national net increase will be accounted for by 12 major urban regions, of which only four are located in the West: California, Puget Sound, Metropolitan Arizona and Colorado Piedmont. In addition to these four great urban regions the West claims only three clusters of significant metropolitan concentration: the Willamette Valley in Oregon, the Wasatch Front, Utah, and North Central New Mexico.^{6/}

Western population data will be examined in more detail later, but the important point is already clear: if present trends continue, Western population growth will be rather narrowly confined to the Pacific Coast states, central Colorado and South Central Arizona.

Disadvantages of Unbalanced Growth

Although growth rarely occurs in what could be called "balanced" or equally distributed fashion, those who advocate balance usually do so for reasons of economy, equity or amenity. The economic rationale

^{5/} *Ibid.*, p. 12

^{6/} J. P. Pickard, Dimensions of Metropolitanism, Urban Land Institute Research Monograph 14 (Washington, D.C., 1967), p. 83.

for balanced growth relies upon a theory which associates the increase of urban population in an area with advancing per capital costs of public services. A body of scholarly literature known as "optimum city size" theory has arisen as a consequence of the basic insight that marginal costs rise with population.^{7/} The debate has posed itself in the form of inquiries into the size necessary to sustain a healthy economy at least marginal cost. There is no agreement about what is "optimum" size.

However, for our purposes it is necessary to recognize that this argument is essentially negative in its implications for existing large metropolitan cities. If a policy were to be based upon this theory, at some stage the size of the growing Western cities would have to be stabilized. It is difficult to envision exactly how this would occur, given the unabashed boosterism that has characterized such cities as Denver, Phoenix, Portland and Seattle. Moreover, uncertainties of the optimum-city-size arguments make it impossible to construct a rational policy around them. The obvious question is, if costs arise to uneconomic levels with advancing population, then why do people continue to locate there?

Respondents to this question have purported to see two kinds of costs in overgrowth: the first in simple municipal costs and costs of services and utilities; the second in supposed public costs in congestion, retarded travel times, pollution, and other social burdens which are imposed upon the greater environment and upon the public by the individual or firm and thus not paid for as a component of production costs. Most optimum-city size theorists are content to record the first set of costs and merely mention the second because social costs

^{7/} Otis Dudley Duncan, "The Optimum Size of Cities," in Cities and Society, eds. P.K. Hatt and A. J. Reiss (New York: The Free Press, 1965), pp. 759-772; Robert M. Lillibridge, "Urban Size: An Assessment," in Land Economics, Vol. XXVIII, No. 4 (November 1952), pp. 341-352; William F. Ogburn and Otis Dudley Duncan, "City Size and a Sociological Variable," in Contributions to Urban Sociology, eds. E. Burgess and D. Bogue (Chicago: University of Chicago Press, 1964), pp. 129-147; Frederic J. Osborn, "Bigger Cities or More Cities?", in Town and Country Planning, (August-September 1963), pp. 337-343.

are so difficult to quantify. However, when only municipal and utility costs are looked at, very little can be said with certainty about total regional productive capacity or income. What can be demonstrated is that family income rises with the size of the urban population, suggesting that from a purely economic point of view city officials are correct in competing for as much growth as they can service adequately. ^{8/} Per capita productive capacity appears to increase with population increase.

Undoubtedly problems of amenity and the social happiness that have been connected with large city size are very real for many people. High noise levels, air and water pollution, crowded facilities, difficulties of traffic congestion and inadequate access to recreation sites are all associated with large cities. Studies of crowing in animal populations have adduced evidence of pathological effects including high infant mortality, cannibalism, homosexuality and diminished fertility. ^{9/} Human analogies from these experiments are speculative. It is also worth noting that high overall density in urban areas is to be distinguished even for purposes of analogy with the animal experiments from high density per dwelling unit. ^{10/}

In any event, urban densities and per-unit populations have both been declining, even in the most populous U.S. cities. Americans moving to suburbia are opting among other things for a lower-density residential environment which central cities do not offer; Americans moving to metropolitan areas, however, are opting for the opportunities uniquely available in urban agglomerations in which central cities still play an essential part. The arguments from amenity do not lead to the

^{8/} U.S. Bureau of the Census, U.S. Census of Population: 1960, Selected Areas Report, Final Report, PC(3)-1B, "Size of Place," Table 5.

^{9/} For a consideration of some of these experiments and the issues they raise see John R. Seeley, "Personal Science," and John B. Calhoun, "Population Density and Social Pathology," in The Urban Condition, ed. Leonard J. Duhl (New York: Basic Books, 1963); R. C. Schmitt, "Density, Health and Social Disorganization," Journal of the American Institute of Planners (January 1966).

^{10/} This distinction was made by William Alonso in "What Are New Towns For?" (Berkeley: Center for Planning and Development Research, 1969), mimeo, footnote 2, p. 19.

conclusion that national population redistribution away from heavily settled urban areas is warranted. Rather, they seem to say that the answer is to do better with what we have, both in attacking problems which are making central cities less livable, and in reforming suburban development practices to avoid tacky-tacky and aesthetic sterility.

Every instance of differential economic growth poses the problem of equity. Every nation, developed and undeveloped, has its Appalachia, its Wales, its Brittany, where income lags well behind national averages. In some countries average per-capita income in the more developed (which usually means the more urbanized) portion of the nation is more than double that in the lagging area. In the West a large number of rural counties have been losing population as opportunities in agriculture have waned. A number of counties which have recorded population gains have nevertheless suffered net out-migration, a consequence of very high fertility offsetting out-migration.

If we employ the classifications developed by Calvin Beale for distinguishing among counties according to the proportion of their urban and rural populations, ^{11/} we may analyze what has been occurring in each of the following types:

- Type 1 all-rural counties;
- Type 2 1-29% urban counties;
- Type 3 30-49% urban counties;
- Type 4 50-69% urban counties;
- Type 5 70% or more urban counties.

Between 1950 and 1960 the West's population grew by 38.9%. During the same period Type 1 all-rural Western counties grew by 6.3%. Type 2 counties with populations 1-29% urban grew by 20.2% in the 1950-1960 decade. Type 3 counties with populations 30-49% urban grew by 22.2%. Type 4 counties with populations 50-69% urban grew by 49.7%. And Type 5 counties with populations 70% or more urban grew by 44% for the 1950-1960 period.

^{11/} Calvin L. Beale, Analysis prepared for the Economic Development Division, Economic Research Service, U.S. Department of Agriculture (Washington, D. C., 1970).

Thus, population growth followed a hierarchy in which the general rule was "the more urban the county, the greater the rate of growth." Some levelling off was to be expected in the most urban class of county. However, Type 5 counties, though they grew at a slightly lower rate than Type 4 counties, nevertheless grew at double the rate for Type 3 counties. Type 1 all-rural counties grew at less than one-sixth the average rate for the region. The fact that rural counties grew at all reflects their high fertility, for during the ten-year period they sustained a loss of 118,000 outmigrants.

High fertility levels are associated in the United States with distinctive ethnic or cultural groups which very often have only their poverty and rurality in common. When opportunities are few, the consequence of high fertility is heavy out-migration. As of 1960 large portions of the Western states were characterized by an extremely low median age of population. The predominance of the very young illustrates the problem of equity in unbalanced growth. A steady infusion of new young workers into the economy necessitates a rather high rate of job growth. Without special attention to the economic development problems of these areas, heavy out-migration is the only alternative to high unemployment.

The implications of this analysis are that opportunities are very inequitably available according to where a person happens to live and that a program of public encouragements of a redistribution of investments may be called for to lessen the burden of disadvantages borne by people in rural areas. However, against this conclusion two qualifications should be entered. The first is that migration to areas of greater economic opportunity may be the most promising and realistic solution to declining local opportunities. Americans have always counted among their economic advantages an extraordinary willingness to migrate to better their circumstances. In 1968 one of every three Americans changed his residence.^{12/} Recent proponents of extensive rural development programs have been few, suggesting that except for severely impoverished areas such as Appalachia there is a predominance of opinion that an elaborate rural development program is not regarded as a feasible alternative to diminishing opportunities in agriculture.

The second qualification to the argument for government subsidies to encourage dispersed economic development areas is that there is some indication that the attrition of the rural population is levelling off. The farm population has declined by nearly two thirds since 1940, and future outmigration from agriculture must take off from this diminished base. In fact, not since 1962 have more than one million left their farms or ceased agriculture occupations. By 1967 net outmigration from farms was one-half million.^{13/} In fact, net outmigration from all-rural Western counties during the six years beginning in 1960 was 32,000, compared with 118,000 for the previous ten-year period. Nevertheless, it has been estimated that the farm population will continue to lose about 3 per cent of its population annually in gross outmigration largely because of the course of fertility discussed earlier.^{14/} Three per cent of ten million spread across the nation's farmland would be a difficult population to provide for through rural economic development. The equity argument against unbalanced growth would more easily be satisfied by giving aids to strategically located urban growth centers in depressed rural areas.

James L. Sundquist has advocated such a program, pointing out that "Circles with 25 mile radii drawn around small cities that have a proven economic potential -- proven by the fact that they are growing now -- cover the vast majority of the country's rural population east of the high plains, and if the circles are extended to 50 mile radii they blanket almost the whole country but for a few sparsely-settled sections of the Western mountains and the plains."^{15/}

If we examine Western counties according to the Beale classifications for the 1960-1966 period, we find that relative growth is down for all classes from what it was in the '50s. However, the urban hierarchy observed for the 1950-1960 period is still operative, with Type 1 (all-rural) counties increased by 4.9%, Type 2 (1-29% urban) by 8.3%, Type 3 (30-49% urban) by 10.2%, Type 4 (50-69% urban) by 18.8%, and Type 5 (70% or more urban) by 16.7%.

^{13/} Calvin L. Beale, Statement before the Ad Hoc Subcommittee on Urban Growth of the Committee on Banking and Currency, U.S. House of Representatives, June 24, 1969, mimeo., p. 9.

^{14/} Ibid., p. 11.

^{15/} James L. Sundquist, "Where Shall They Live?", in The Public Interest (Winter 1970), p. 98.

^{12/} U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 156, "Mobility of the Population of the United States: March 1965 to March 1966."

Difficulties of Promoting National Population Redistribution

It is idle to say, as some new town critics have, that it would be impossible to rearrange vast numbers of people in new settlements across the nation. History abounds in great migrations, forced relocations and frontier development. During the 19th century America's westward movement was relentless and new cities were founded at an extraordinary rate. Daniel Boorstin has referred to the 19th-century American new towns as "upstart cities," different from Old World medieval cities in that they had neither walls nor stability, for their "key idea from the beginning was less defense or preservation ... than growth. They measured themselves, not by their ability to keep out invaders, but by their power to attract immigrants"

- "The new fast-growing city, where nothing had been before, a city with no history and unbounded hopes, was the American businessman's first natural habitat. In the period when he first appeared, his primary commodity was land and his secondary commodity transportation. This transformation of land rights and transport rights from political symbols and heirlooms into mere commodities was also an American phenomenon." ^{16/}

It is difficult to imagine any other people which could adapt with fewer reservations to a program of national resettlement -- if the incentives were abundant -- than the Americans. However, the dimensions of such a program are staggering. The most radical specific proposal for new community construction came from the National Committee on Urban Growth Policy, which called for 100 new towns of 100,000 each and 10 new cities of 1,000,000, all to be constructed within the next three decades. ^{17/} The National Committee hypothesized a population increase of 100 million, or 25% more than some authorities now anticipate. Using the lower figure, well over two-thirds of the population increase would still have to occur in existing settlements. For the higher expectation four-fifths of the increase would be unaffected by the new town program.

^{16/} Daniel J. Boorstin, *The Americans, the National Experience* (New York: Vintage Books, 1967), p.116.

^{17/} The Committee report is included in Donald Canty, ed., *The New City* (New York: Frederick A. Praeger for Urban America, 1969), p. 169.

One reaction to the magnitude of the problem is to say that a program settling only 20 million people would be marginal and not worth the effort. The opposite response is equally defensible: the problem is so immense that it must be tackled and perhaps on a scale much greater than had been thought necessary. In any event, the accommodation of 20 million people in new, presumably carefully sited locations is hardly insignificant and would inevitably stimulate important spread effects in the affected areas.

One problem that is often overlooked in ambitious new town problems, however, is where prospective residents are to come from. Merely recounting an estimate of 75 or 100 million new citizens by the century's end should not lead to an assumption that we are dealing with disposable commodities awaiting distribution. The vast majority of population growth is going to occur exactly where the urban settlements are now located. Aside from the obvious fact that that is where the babies will be born, the base for future migration from opportunity-scarce areas is greatly reduced. During the first five years of the 1960s only 22% of metropolitan population growth was attributable to migration. This amounts to just under a half a million migrants per year. Clearly, then, new city residents will have to come from existing cities.

Four fifths of the rural population do not reside on farms and thus trends in this population will have significance for the future course of migration. It appears that during the 1960s this group produced fewer outmigrants than in the 1950s, and retention of the rural population was greater nationally than in the previous decade. However, for the non-Pacific Western states the balance sheet is bleak. Calvin Beale has observed that:

"The division that has done least well since 1960 in retaining population in rural areas is the West North Central states. These states contributed more rural net migration to other areas than any other part of the country in the 1960 to 1966 period -- some 300,000 persons. By contrast, in the 1950s each of the three census divisions of the South had more rural outmigrants than did the West North Central Division. Even so the outflow from the West North Central state is reduced both in number and rate compared with the '50s." ^{18/}

^{18/} Calvin L. Beale, Statement before the Ad Hoc Subcommittee on Urban Growth, pp. 12-13.

Beale describes population trends in most of the states under discussion in the following bleak terms:

"These declines are typically occurring on community structures that are already affected by past outmigration and on local population bases and governmental units that are already small both in total size and density. The population losses in this huge area are generally understandable, given such features as the continental climate, the increasingly extensive nature of much of the agriculture, the predominant lack of timber resources, the dearth of sizeable population centers and markets, and the lack of navigable water. But, how long can further population decline continue without impairing the ability of the region to conduct the productive agriculture that characterizes most of it?" ^{19/}

National Population Redistribution Would Entail the Construction of Numerous Frontier, or Independent New Cities

New cities remote from areas of proven growth records and established facilities are the most difficult to develop. There are two major reasons for this.

First, new settlements in metropolitan areas are able to draw upon the facilities of existing cities, to connect up to water and sewer lines, to avail themselves of sundry services, from courts to movie houses, from mechanics to commercial and educational plants. Jobs are ready-made for prospective residents; indeed, prospective homebuyers and already employed and constitute a demand factor for the new town's housing. Staging of facilities is less complex when a fledgling city can pass its first few years as a parasite upon the nearby urban area, especially if growth creates a steady demand for whatever the new town provides, as it provides it, and not all at once. Costs are far greater if facilities sufficient to accommodate a target population must be provided in advance of its actual arrival, as they must be in an independent new city.

^{19/} Calvin L. Beale, Statement before the Ad Hoc Subcommittee on Urban Growth, p. 15.

Second, housing availability conforms to a patterns in which those who can afford to improve their circumstances move up to better, usually newer, housing as it becomes available. All those behind them economically then may also advance in a fashion which is referred to as "filtering down." At least this is the theory. ^{20/} Those at the lower end of the scale cannot afford new housing. ^{21/} The same pattern describes the conduct of business establishments. Older and obsolescent structures are sought out by families and firms which cannot afford new structures, yet new cities will be without a supply of older buildings. New cities cannot afford to be without the services of low-income workers and low-cost businesses. An urban economy cannot function without them, even if one were to attempt a homogeneous upper-middle-class city. New cities without a supply of the older, less expensive structures would have to reduce the cost of new structures. Given the fact that more than half the households in the U.S. cannot afford even to rent new housing, it becomes obvious that subsidies to lower-income persons and firms will have to be significant in independent new cities.

New Cities for the Purposes of Demonstration and Experimentation

Successful in so many areas, Americans have seldom succeeded in building a truly beautiful city. An adequate explanation of our ubiquitous urban mediocrity would have to begin by recording the unparalleled pace at which cities were founded and grew during the 19th century. The absence of proximate models of aesthetically pleasing cities may also have contributed to the monotony of street grids, of settlement strips along railroads and highways that came to be our cities. It may even be that America's urban expectations, its aesthetic judgment where cities are concerned, is crippled. Daniel Moynihan suggested as much when he said that "most American cities are far uglier than they need be"

^{20/} Anthony Downs, "Alternative Forms of Future Urban Growth in the United States," Journal of the American Institute of Planners (January 1970), p. 3.

^{21/} The locational constraints operating upon small business are analyzed in Edgar M. Hoover and Raymond Vernon, The Anatomy of a Metropolis (New York: Anchor Books, Doubleday and Company, 1962), p. 45.

"Daniel J. Elazar has observed that while Americans have been willing to become urbanized, they have adamantly resisted becoming citified ... There are not half a dozen cities in America whose disappearance would, apart from the inconvenience, cause any real regret ... The difference between those cities that would be missed and those that would not be resides fundamentally in the combination of architectural beauty, social amenity, and cultural vigor that so sets them apart ..." ^{22/}

Proposals promising to incorporate startling new applications of social theory and technological sophistication in new city development bespeak a dissatisfaction with the state of cities today. A noteworthy example is the Minnesota Experimental City undertaken by the University of Minnesota to achieve an

"'overleap' in research and in seeking more alternatives for dealing with urban problems. The most significant operational factor this experimental overleap would offer would be an opportunity to start anew without those entangling restrictions which impair the viability of our cities today. In short, for the first time in the history of man, we are seeking to build a whole new city from an ecological base

.... the Experimental City would serve to demonstrate the value of changing social patterns and would underscore that all technology must truly serve people, that a city must be able to change the unworkable, and that any institution must be responsive to the evolving needs of those for which it exists. As a center of experimentation, the /city/ would become a worldwide mecca for urban planners, developers, industrialists, educators, students, and the general public." ^{23/}

- ^{22/} Daniel P. Moynihan, Speech delivered at Syracuse, New York on May 8, 1969, reproduced in Chronicle (Washington, D.C.: Urban America, May 1969).
- ^{23/} Otto Silha, Chairman, Steering Committee, quoted in Minnesota Experimental City Progress Report, May 1969, University of Minnesota, Experimental City Project (Minneapolis, 1969), pp. iv-v.

A disappointing fact about most American new town proposals is that they have promised little that was new or in any sense an "overleap." More often they have been well-presented packages of conventional suburban characteristics with a somewhat higher standard of physical design, a bit more open space and additional community facilities. Land use has been more sensitively handled in some cases, but the overall constraints of profit-oriented marketability and conventional local government oversight have generally precluded substantial innovation.

The use of Federal lands as sites for such innovative new city experiments would obviate some, though not all, of these problems. Probably a socially sophisticated new city development cannot occur without releasing the developer from restricting complexities of land assembly, nondeferrable amortization and interest payments, pedestrian local zoning and building code requirements. An honestly innovative, ecological new city development, pioneering in new techniques of water and waste management, housing design and education will probably not be successful without government interest and encouragement. Large amounts of already public land could simplify many problems, from new transportation planning to the regulation of the availability of competing opportunities nearby.

The role of "symbolic" considerations in new city developments has been demonstrated in recent history by national sponsorship of huge urban investments in Ankara, Turkey, and Brasilia, Brazil. The lesson has not been lost on American planners of the bicentennial of U.S. independence in 1976, who recently received the first proposal advocating a new city as a commemorative demonstration of urbane sensitivity in the 20th century. ^{24/} The proposed project was for a large-scale new city in the Lake Champlain, New York, area.

It is expected that many such proposals will be submitted. Given current interest in environmental issues it is not unlikely that at least one such demonstration may be undertaken. The importance of public lands in siting new cities was demonstrated as recently as 1969 when the Urban Development Corporation of New York State, a public authority,

- ^{24/} James R. Woodruff, Proposal to the Bicentennial Commission, mimeo.

elected to plan its first new city venture on 2,200 federally held acres formerly used for defense purposes. The size of the tract and the anticipated simplicity of conveyancing, together with a presumed convergence of purpose between transferor and transferee, should be important advantages.

Accommodation of Resource Development Objectives
such as Atomic Energy or Oil

Twentieth century American experience with new communities has included a number of developments constructed for limited purposes. Resource extractions, atomic energy development, military defense experimentation and research have all necessitated urban accommodations, typically in areas remote from existing settlements. There is no reason why such developments will not continue to be warranted in the foreseeable future. Resource discoveries in public land areas may precipitate demand for large tracts as settlement sites. Little can be said about such demands except that agencies of the Federal government may well be among the requestors and the presence of the public interest in any proposal will presumably be assured. Such cases have traditionally been dealt with on an ad hoc basis with involvement in planning often limited to the initiating agency. When private enterprises such as mining or oil companies are to be the primary beneficiaries of new urban infrastructure it is reasonable to assume that public aids, if any be necessary, will be carefully scrutinized to assure the presence of legitimate public purpose.

More difficult problems are presented by proposals for retirement, resort, and recreation settlements on public lands. The government has a legitimate interest in accommodating these activities but, the case for significant subsidy or for close Federal-level involvement in such ventures must confront two basic objections.

First, states with carefully elaborated development plans may be better equipped to determine the desirability of acquiescing in the wishes of private new developments, judging their compatibility with infrastructure planning and the availability of locally provided governmental services. The provision of valuable lands could conceivably divert resources from nearby growth areas and make adjacent public lands unfit for uses other than future new town expansion. Moreover, a patchwork of resort communities could preclude large tracts serving as potential

wilderness areas, parks, and open space. The only assurance against incremental disruption would be a well-thought-out plan for the future development of very considerable areas of land.

Second, the trading off of any public land -- and land desired by private developers is likely to be very desirable indeed -- entails an exchange of those objectives served by maintaining the land in its present use, and those consequent to the envisioned, new purpose. It is likely to bring into play conflicting interests and their spokesman, embroiling public land disposition in acrimonious controversy which may impede later land dispositions to legitimate public claimants at the state and municipal levels.

Promotion of Urban Growth in More Orderly, Concentrated Form
Possibly in Concert with Encouragement to Metropolitan Decongestion

If there is any safe, sure place for new towns as part of an urban growth policy it is in accommodating projected population increase where it is expected to occur, i.e., in the fast-growing counties around metropolitan areas. New town ventures in other areas must inevitably swim against the tide, probably depending upon large infusions of government or industrial investments in areas not previously favored.

The rationale for this accommodationist approach relies considerably upon a conviction that in the United States it would not be feasible to mount a program which posited the necessity of constant size or reduced large-city populations, as the arguments for population redistribution and economic reorganization advocate. The dynamic of growth is so deeply rooted, according to this position, that bigger is better, more people mean more consumers, larger payrolls for purchasing, higher retail sales, a larger tax base. Thus, any attempt at diversion must proceed by offering competing opportunities and modest indirect relocation incentives, not in depopulating rural areas, but near metropolitan centers where the people are. Limits on the issuance of building permits in high-density cities, payments to large cities for inducing residents to out-migrate and compensation to other cities for receiving immigrants, the techniques regarded by London planners as essential to their program of decongesting the inner city in favor of outlying new towns, are not yet considered acceptable in the United States. However, the advanced suburbanization -- and even exurbanization -- in progress in the United States may obviate decongestion incentives in this country. The question then becomes "What form will this suburban growth take?"

Numerous techniques have been evolved to induce orderly growth and divert sprawl in urban areas. Timed development through progressively larger tract zoning toward the urbanizing fringe; the requirement of public dedication by subdividers of a portion of land, or money in lieu of land; planned unit development incentives, and cluster zoning -- are all examples of means of inhibiting leapfrog development and patchwork urbanization. They also assist in the rational planning of public services by encouraging the simultaneous consideration of the adequacy of public facilities in every application for a development permit.

More ambitious programs of extensive public land banking and constructing transportation corridors in advance of need have not received support in the United States. However, the tendency toward ever more comprehensive treatment of land use and urban growth leads logically from sprawling, scattered, large subdivisions and shopping centers to whole new service environments which, though not functioning independently in every respect, do possess enough urban characteristics to be called new towns.

The type of new town under discussion would entail a population diversion from the metropolitan areas in order to be successful. It would not exist as a mere extension to the urbanized area of the metropolis, for accretions at the fringes are not likely to require the full complement of urban services one associates with a new community. Achieving balanced development at the fringe is also complicated by the fact that such areas often already have their character determined by published plans detailing projected road and sewer services, the existence of contiguous subdivision developments, and land prices which reflect speculative anticipations.

The population diversions which would be necessary would be of a lesser magnitude than interregional migrations, relying upon the suburbanization impulse by attempting to capture some of the enormous population and job growth projected for suburban areas during the next three decades. And the encouragement to metropolitan decongestion would be real, though indirect, if the new cities were located at least 25 miles beyond the present urbanized area.

This strategy is based upon rather modest, but nonetheless important, objectives. If population is going to crowd more and more into huge urban agglomerations then the least that is necessary is to organize them better. Without providing discrete urban concentrations outside the central city and taking early action to protect intervening open spaces from development, there will be no end to the forward march of uncontrollable suburban sprawl. For most of the residents of such new cities actual use of the central city would be occasional. More likely they would live in one outlying city and work in another, or work at jobs which are becoming ever more plentiful in suburbia, necessitating a considerable though not unreasonable commute.

Against this strategy it may be said that it represents more of the same accommodation and marginal intervention that the country has long suffered. Generous Federal subsidies for the construction of expressways that discharge more cars than can be efficiently received on downtown streets, and FHA aids to jerry-built subdivisions, come immediately to mind as instances of past experience with unambitious governmental accommodation of population and economic opportunities basically unaffected.

Moreover, a program based upon this policy would offer nothing to areas other than those near large metropolitan centers. Smaller cities, even growing ones, will not undergo the absolute increase of at least 50,000 population per decade which is probably necessary to justify a program of new city construction at the metropolitan periphery.

Nevertheless, the modest reasonableness of ordering growth that is probably inevitable anyway has much to commend itself. At a minimum, if the country acts to encourage new city development at all, this is the strategy that has most promise of early success at least cost.

CHAPTER III

NATIONAL GROWTH POLICY AND GOVERNMENTAL PROGRAMS FOR NEW COMMUNITIES

"For the past 30 years, our population has also been growing and shifting. The result is exemplified in the vast areas of rural America, emptying out of people and of promise. A third of our counties lost population in the '60s. The violent and decayed central cities of our great metropolitan complexes are the most conspicuous area of failure in American life today.

I propose that before these problems become insoluble the nation develop a national growth policy.

In the future, government decisions as to where to build highways, locate airports, acquire land or sell land should be made with the clear objective of aiding a balanced growth for America."

Excerpts from the
President's State of the Union Message
January 22, 1970

The Debate About National Growth Policy

In his State of the Union message, the President allied himself with the proponents of an ambitious national urban growth policy. He associated the urban ghettos and depopulating rural areas in a common syndrome of decay and despair and he appeared to advocate a policy which would go far beyond the modest objectives of planning for orderly, "inevitable," metropolitan growth. Those who have long advocated greater governmental attention to the places where migrants to cities originate, the rural hinterlands of the South and the Great Plains in particular, have reason to be encouraged. It is to be expected that proposals for new legislation from this Administration will reflect an awareness of the interrelationship between social objectives and economic opportunities in depressed or lagging areas.

However, the spectre of budget austerity looms forebodingly over all governmental pronouncements. It is not easy to see where the government investment necessary to sustain a program of population

redistribution and economic reorganization is to come from under wartime conditions. Thus, there is a certain reserve among planners who are generally favorable to the objectives put forth by the President. Downs, for example, appears to be concerned lest a bold new program for diverting population into non-metropolitan areas ends up by diverting scarce resources from big city ghettos.^{1/} He and Alonso^{2/} evince a concern to get the priorities right at the outset, and to make the central cities' population the object of immediate massive enrichment.^{3/} Dr. Kenneth Clark has castigated the growing interest in new towns as a "psychic abandonment" of big cities and their problems.^{4/} Clark has even denied that the nation is presently capable of building new towns fundamentally different from the white exclusionist, suburban enclaves that ring all the larger cities.

Others are more hopeful that, with carefully drawn controls, public subsidy to new community builders will serve progressive social, environmental and design purposes. The most elaborate and comprehensive case for an urban growth strategy which would include new towns as an important component has been put forth by the Advisory Commission on Intergovernmental Relations (ACIR).^{5/} A tradition of approaching problems of social, economic and spatial organization as interdependent issues deserving national policy attention under a common rubric, dormant since the pre-World War II era of the National Resources Planning Board and the Resettlement Administration, has been admirably revived by the ACIR.

1/ Anthony Downs, "Alternative Forms of Future Urban Growth in the United States," Journal of the American Institute of Planners (January 1970)

2/ William Alonso, "What are New Towns For?" (Berkeley: Center for Planning and Development Research, 1969), mimeo.

3/ Anthony Downs, "Alternative Future of the American Ghetto," in Daedalus, Journal of the American Academy of Arts and Science, Vol. 97, No. 4 (1968)

4/ In a speech entitled, "Social Objectives in New Community Development," delivered at the conference "New York State Looks at New Communities," co-sponsored by New York State Urban Development Corporation and Urban America Inc., in Tarrytown, New York, July 1, 1969.

5/ Advisory Commission on Intergovernmental Relations, Urban and Rural America: Policy for Future Growth (Washington, D.C., April 1968)

A private, ad hoc group calling itself the National Committee on Urban Growth Policy, has also examined urban growth issues and has furthered the national debate with proposals similar to, though less comprehensive than, those advocated by the ACIR. Both the ACIR and the Ad Hoc Committee called for the development of a national urbanization policy, the creation of state-chartered land development agencies, and new Federal programs designed to encourage the construction of new communities.

ACIR proposals appear in a bill entitled "The Balanced Urbanization Policy and Planning Act," introduced in the 91st Congress by Representatives Dwyer and Fountain.^{6/} The bill would assign responsibility for developing an urban growth policy to "an appropriate executive agency," whose proposals would be reviewed by a standing committee of the Congress.

Since the recommendations of the Advisory Commission were prepared, the Administration has changed, and President Nixon has significantly altered the organization of the Executive Office of the President. He has created Cabinet-level Councils on Urban and Rural Affairs, a Commission on Population and a National Goals staff. He has also implemented legislation creating the Council on Environmental Quality, an agency analogous in stature to the Council of Economic Advisors.

Perhaps of greatest significance for our purposes, the President has proposed to the Congress a substantial reorganization of the Executive Office of the President. Under the reorganization plan, a new Domestic Council would replace the Councils on Rural and Urban Affairs and be responsible for "defining national goals and objectives" and for "coordinating the establishment of national priorities for the allocation of available resources."

Whether the Domestic Council or the other presidential staff agencies can or will assure responsibility for the preparation of a national policy with respect to urban growth remains unclear, though it would appear to be partially within the purview of each of the agencies.

6/ This bill, "The Balanced Urbanization Policy and Planning Act," H.R. 13217, was introduced to the House of Representatives, 91st Congress, 1st Session.

The ACIR's own draft legislation, called the "Urban and Rural Development Act of 1970," has yet to be introduced pending resolution of committee assignment problems in the Congress.^{7/} The draft legislation recommends federal-state matching programs to influence population distribution and economic growth. Federal financial and tax incentives would be offered to induce industries to locate in designated growth areas. Preference in the award of federal contracts would be awarded to industries located in such areas. One objective of the legislation is to alter Federal programs which tend to cause people to migrate to metropolitan areas. Equalization of Federal welfare benefits is proposed in order to reduce the inequity of differential assistance levels among the states.

After examining existing Federal provisions relating to new communities and private activities in the field, the ACIR concluded that additional Federal aid was required to stimulate the construction of large-scale new communities. Title VI of the ACIR's draft "Urban and Rural Development Act of 1970" includes a provision authorizing "below-market HUD loans" to state land development agencies, the proceeds to be used for the acquisition of land for new communities and for the installation of necessary public facilities. It also authorizes direct loans to private new community developers, at the cost of treasury borrowing, and accelerated depreciation for private new community developers as a tax incentive option. It would further require that all such new community development be consistent with a state or areawide urban development policy which has been approved by the local governing body of the area in which the project is located and by the governor of the state. There is a requirement that the development include an ample supply of low-income housing.

Finally, the Commission proposed more direct Federal involvement in the new community building process. This included direct Federal acquisition of land for eventual conveyance to both public and private community developers, as well as direct federal construction of experimental new communities to stimulate innovation in design and construction.

^{7/} Advisory Commission on Intergovernmental Relations, "Urban and Rural Development Act of 1970," mimeo.

One effect of the legislation would be to encourage states to charter land development agencies or authorities, perhaps on the model of the New York State Urban Development Corporation.

The National Committee on Urban Growth Policy was formed in 1968 and was jointly sponsored by the National Association of Counties, the National League of Cities, the United States Conference of Mayors, and Urban America Inc. As a bipartisan organization representative of all levels of government, the Committee existed to study the concept of new community building as it had developed in Western Europe and as it might be applied in to the United States. In 1968, the Committee journeyed abroad to meet with officials of new communities in Great Britain, Sweden and Finland; in early 1968 it commissioned a set of papers designed to focus its thinking about the applicability of the new communities concept to public policy in the United States. Those papers, and the report of the Committee, were published in 1969 as The New City.^{8/}

Startled by the prospect of adding 100 million more Americans to our population by the end of the century, the figure which the Committee assumed, and concerned about the inability of the country to arrest central city decay and guide metropolitan expansion, the Committee recommended that a "mechanism" be established in the Executive Branch to focus policy-making on urban growth. The Committee recommended that new Federal programs be enacted which would cause the states to create state, county, or local agencies with the power to (1) organize suburban growth in metropolitan areas, (2) create entirely new communities outside of metropolitan areas, and (3) stimulate growth around existing smaller communities.

In effect, the Committee was recommending that the state create either state bodies or state-chartered local agencies to organize growth in metropolitan areas through improved suburban development processes and through major rebuilding programs in the central cities. But they also recognized that new communities away from existing metropolitan areas would be desirable and that existing smaller communities can serve as the

^{8/} Donald Canty, ed., The New City (New York: Frederick A. Praeger for Urban America Inc., 1969).

nucleus for major new development. Both the small, existing city and the free standing new town could serve to attract growth away from the burgeoning metropolises of the country. Emphasizing the gravity of the problem, the Committee recommended the creation of 100 new communities averaging 100,000 population each and ten new cities of at least a million which would accommodate 20 percent of the projected increase in population by the end of the century.

The significance of the National Committee on Urban Growth Policy lies not so much in the dramatic character of its recommendations, but in the fact that a bipartisan and intergovernmental body could overcome some of the objections to a major program of new community building and could call upon the country to make a commitment of substantial magnitude.

Within the White House Staff, the Urban Affairs Council is currently developing an Urban Growth Policy and accompanying legislation, and the National Goals staff is studying urbanization and national growth with a more long-range perspective. At the same time, several departments (including HUD, Interior, Commerce and Agriculture) are developing new community policy and legislation. The Urban Affairs Council is coordinating the work of these departments in its policy and legislation formulation.

The Administration's proposed 1970 Housing legislation will include some sections on new communities which will extend and slightly expand existing programs. A separate Administration-backed New Communities Act of 1970, departing significantly from the existing legislation is also under consideration, but details are not yet available. Central to the discussion of proposed legislation is the question of how much the government should back new communities. Enthusiasts for strong government support of new communities are thought to have encountered doubters on the White House staff.

While the Administration has been debating within itself a Federal policy and legislation on new towns, leading Democrats in Congress have introduced a bill that would go far beyond existing legislation to support

new communities in, near, and away from existing urban areas.^{9/} Paralleling the ACIR proposed bill, the legislation introduced by Congressman Ashley and others in the House and Senator Sparkman in the Senate would create a Community Development Corporation in the Department of Housing and Urban Development. The Corporation could provide grants to public and private developers to assist in initial planning and feasibility studies for new communities. Following the planning, low-cost, deferred-payment loans, guaranteed by the Corporation would be available.

Federal Legislation Pertaining to New Towns

Although they fall short of the ambitious proposals of the Advisory Commission on Intergovernmental Relations, and of the National Committee on Urban Growth Policy, two Federal programs exist which are designed to encourage private developers to build new communities. The older of the two was authorized in Title X of the National Housing Act of 1965, "Mortgage Insurance for Land Development", as amended in 1966 to include New Communities.^{10/} The second program was established in the Housing and Urban Development Act of 1968 as Title IV.^{11/} It is referred to as the "New Communities Act of 1968." The two programs have similar criteria for project eligibility. According to the laws, all projects must make substantial contributions to the sound and economic growth of the areas in which they are located, and must improve housing conditions, technology, employment in the industry and the housing industry in general. The financing guaranteed must be used for land acquisition and development necessary to prepare the land for all uses and provide facilities for common and public use. Differences in the two programs relate to the amount and type of financing which is guaranteed.

^{9/} This bill entitled "The Urban Growth and New Communities Development Act of 1970," H.R. 16647) was introduced to the 91st Congress, 2d Session on March 25, 1970.

^{10/} U.S. National Housing Act, 12 USC 1701 et.seq.

^{11/} U.S., "New Communities Act of 1968," 42 USC 3901 et.seq.

COMPARISON OF THE STATUTORY PROVISIONS
OF TITLE X AND TITLE IV ^{12/}

| REFERENCE | TITLE X | TITLE IV | REFERENCE | TITLE X | TITLE IV |
|--------------------------|--|---|--------------------------|--|---|
| Authority | Housing and Urban Development Act of 1965. Title X, Mortgage Insurance for Land Development, as amended in 1966, to include New Communities and Water and Sewerage Facilities. | Housing and Urban Development Act of 1968. Title IV, Guarantees For Financing New Community Land Development. | Eligible Applicants | Public bodies are not eligible. FHA approved lending institution for private developers of new communities. | Public bodies are not eligible. New community developers approved by the Secretary on the basis of financial, technical and administrative ability demonstrating capacity to carry out the project. |
| Financing | Mortgages from a private lender secured by a lien or liens on real estate held in fee simple or under a leasehold. | A bond, note, debenture or other obligation issued by the new community developer and held by institutional investors or the public. | Eligible Projects | No major differences between program objectives. Satisfy statutory criteria relating to improving living conditions and contributing "to sound and economic growth in the area." | Same as Title X |
| Maximum Guarantee | \$25 million per project, \$250 million total authorized | \$50 million per project, \$250 million, total authorized. | | Each project must be approved by the Governor of the State unless the locality has previously been delegated powers of self-government. | Same as Title X |
| Calculation of Guarantee | 50% of the estimate of the value of the land before development plus 90% of the estimated development costs or 75% of the estimate of the value of the property upon completion, whichever is the lesser. | 75% of the estimate of the value of the land before development plus 90% of the actual cost of such development or 80% of the estimate of the value of the property upon completion, whichever is the lesser. | Eligible uses of lands | No significant differences. Acquisition and improvement of land in preparation for residential and related uses or to provide facilities for public or common use. | Same as Title X |
| Maturity | Land development mortgages are limited to 10 years except the term may be extended to avoid undue hardship to the mortgagor. For new communities or water and sewerage systems, 10 years or such longer maturity as deemed reasonable by the Secretary. | Repayment and maturity provisions satisfactory to the Secretary. | Supplementary provisions | No supplemental grants. | Up to 20% maximum supplemental grants for water and sewer and open space, only to state and public bodies participating in the new community. |
| | | | Administration | Division of New Communities of Metropolitan Development, reviewed by regional offices. | FHA central office; detailed analysis and recommendation by field office. |

^{12/} Information and analysis provided by the New Communities Division and the Land Development Division of the U.S. Department of Housing and Urban Development.

Title IV has generated a considerable amount of interest on the part of private developers. It was passed at a time when developments at Reston, Virginia, Columbia, Maryland and Irvine, California, had begun to demonstrate that building on the scale of several thousands of acres could produce a higher quality environment than was possible under traditional subdivision constraints. The complexity of the Title IV programs has resulted in numerous delays in the issuance of program regulations. Guarantees for all types of financing are available under Title IV, including bonds and debentures issued by the developer and held by institutional investors or by the public. An unique feature of the legislation appears in Section 412, which authorizes the Secretary to make grants to state and local public bodies which are assisting new community projects. The Federal assistance would be provided in the form of supplementary aid under conventional water and sewer grants and aids to land acquisition for parks.

On February 13, 1970, the Department of Housing and Urban Development announced approval of the first new community project for Title IV assistance. Secretary Romney furnished the developers of Jonathan, a new town located 20 miles southwest of Minneapolis, Minnesota, with a letter guaranteeing up to \$21 million of financing for a 10 year period.

When approval of Jonathan's application was announced approximately 35 developers had sent ~~at~~ least preliminary applications for Title IV assistance to HUD. Five or six of these applications are currently under active consideration. The approval of Jonathan's application has generated new interest in the program.

Title X has produced a good deal of program activity, assisting subdivisions as large as 900 acres with 8,150 housing units for 25,000 people. However, no new communities have been approved under Title X and no proposals are pending.

The reason that developers consider Title IV of greater usefulness for new community projects than Title X probably has to do with the more flexible financing available under Title IV. The ability to employ a number of different types of guaranteed financial obligations, including but not limited to first mortgages, permits the developer to use alternative means to accommodate the "front-end load" characteristic of all private new community ventures.

Neither program contains either the degree of public control over land, or the magnitude of Federal financial support considered by both ACIR and the National Committee on Urban Growth Policy to be essential to significant new community program. Moreover, Administration support for the Title IV program is limited, as indicated by the 1971 Budget request for \$10 million in supplemental grants and \$250 million in total loan guarantee authority.

Recent State Activities in the New Communities Field

The New York State Urban Development Corporation (UDC) is among the most significant political inventions of recent years. Passed as a consequence of extraordinary gubernatorial efforts on the evening of Dr. Martin Luther King, Jr.'s funeral, the UDC bill^{13/} provides for the establishment of a public authority to which it grants considerable powers. The UDC is empowered to waive local laws, ordinances, zoning codes, charters and construction regulations, substituting compliance with the state's own building construction code, "when, in the discretion of the corporation, . . . compliance is not feasible or practicable."^{14/}

Rich in state financing, the Urban Development Corporation has moved to rescue several urban renewal projects around the state which had bogged down in local hands. Significantly, it has also moved to consider its role in the building of new communities. Three such activities are worthy of note here.

First, in cooperation with the State University of New York at Buffalo, it is preparing an overall development plan for a new community to surround that institution's new campus in suburban Amherst. Planning of the project is well underway and land acquisition is expected to start in the near future.

The second project approaching new community scale is in the suburban community of Lysander outside of Syracuse. The land acquired by the UDC was an extinct Federal ordnance depot, and its 2,200 acres will permit building a new community of moderate size.

^{13/} New York State, New York State Urban Development Corporation Act, Mck. Unconsol. Law. sec. 6251 et. seq. L. 1968, c. 174 sec. 1, eff. April 1, 1968.

^{14/} Ibid., sec. 6266 (3).

In its third activity related to new communities, the UDC has joined with private agencies and local governments to study regional development in the Mid-Hudson Valley, from south of Albany to the suburbs of New York City. The area's great scenic beauty is marred by decaying old cities along the River and by industrial and subdivision development along the highways. The product of the study will be a decision by the UDC on whether it should attempt to structure development in the region through a program of central city rebuilding and new community development.

The significance of the UDC lies not so much in what it is doing but in what it is capable of doing. For in the UDC exists the wealth of financing and the kind of public power in the development process envisioned by the drafters of the ACIR report and the members of the National Committee on Urban Growth Policy.

Significantly, just as UDC has yet to prove itself in New York State, it has yet to be replicated in other states. New Jersey has created a special development corporation with unique intermunicipal tax sharing attributes to develop the Hackensack Meadows; West Virginia has founded a state-backed housing development fund; and North Carolina has created a public-private housing fund. Other states have considered and timidly deferred the creation of something like a UDC. UDC's performance in New York State will be carefully monitored for its failure will necessitate new inventions, while its success will stimulate the creation of similar agencies elsewhere.

CHAPTER IV

THE ROLE OF LOCATIONAL FACTORS IN NEW TOWN DEVELOPMENT

Introduction

One third of America's new towns are located in the metropolitan areas of Southern California, where the rate of population growth has been twice the national metropolitan average.^{1/} This rather extraordinary concentration of new community activity obviously carries important implications for new town ventures in those other, untested areas where public lands are predominantly located.

However, while it is important to account for the phenomenon of concentration, it is also useful to resist attributing too much weight to it. By and large there has been little or no government support for city-scale development. Postwar America has seen widespread construction of subdivisions and shopping centers based on sophisticated market analyses and local growth projections. A progression towards ever-larger subdivision developments has culminated in the planning of whole new towns. Often the builder's objective has been early investment retrieval. It was inevitable that private new town ventures would have much in common with conventional real estate development.

As different levels of government become more involved in offering inducements to urban growth forms less conventional than the traditional subdivision, we may expect the developer to have different, but still profitable, options. Moreover, even under existing circumstances of limited government encouragement to new towns, technology and affluence are reducing the restraints on locational considerations. A large private development in a fast-growing area may still be the only "sure thing," but improved communications, faster

^{1/} Table of Large Developments and New Communities, compiled by the Division of New Communities, U.S. Department of Housing and Urban Development, January 1969, in "HUD Survey and Analysis of Large Developments and New Communities," Urban Land (Washington, D.C.: Urban Land Institute, January 1970), p. 11
Jerome P. Pickard, Dimensions of Metropolitanism, Urban Land Institute Research Monograph 14 (Washington, D.C., 1967), p. 83; Jerome P. Pickard, Appendices to Dimensions of Metropolitanism, Urban Land Institute Research Monograph 14A (Washington, D.C., 1967), p. 40.

transportation and growing disposable income all enhance the "market-ability" of nonmetropolitan sites with natural attractions and good climate -- both characteristics of innumerable public lands in the American West.

It is the purpose of this section to explore the ramifications of locational factors upon city-building. Because the recent American experience of comprehensive town-building is limited to private ventures or "developments," the temptation will be strong to take the developer's point of view: the cash-flow perspective. Yet insofar as information permits, the temptation will be resisted. For "the ghastly feeling of provisionality" that once distressed a distinguished foreign visitor to America is nowhere more acute than in a sprawling, instant, cash-flow solid subdivision. If, as Harold Nicolson has observed, Americans "do not plant avenues for their great-grandchildren," then each generation must construct its own unending environment with its own "ever-changing Chicago skyline."^{2/} Or, alternatively, change its outlook.

The Competition for Population and Industry

General Locational Considerations

Athelstan Spilhaus,^{3/} Daniel Cook^{4/} and James Sundquist^{5/} have all affirmed the viability of new cities in locations remote from existing metropolitan areas. Western Minnesota and Western Arizona have been proposed as appropriate places for such new city ventures.

^{2/} Harold Nicolson, Diaries and Letters 1930-1939 (New York: Atheneum, 1966), p. 140.

^{3/} Athelstan Spilhaus, "Technology, Living Cities, and Human Environment," in Science & Technology and The Cities, Committee on Science and Astronautics, U.S. House of Representatives (Washington, D.C.: Government Printing Office, 1969), pp. 33-43.

^{4/} Statement before the National Commission on Urban Problems, San Francisco, July 7, 1968.

^{5/} James L. Sundquist, "Where Shall They Live?," in The Public Interest (Winter 1970), pp. 88-100.

On the other hand, William Alonso,^{6/} Lloyd Rodwin,^{7/} and Anthony Downs^{8/} have argued that free-standing new cities are only a remote, not a viable, possibility, except under very special circumstances. The conflict resolves into differing answers to the question: "Are people and industry willing to forego the advantages of existing metropolitan areas to relocate on a large scale in a new town?" Obviously, any answer can only be tentative, although the prevalence of new towns is rapidly urbanizing Southern California and Southern Florida lend support to the Alonso position. The experience of Lake Havasu City, built by McCulloch Properties, (a subsidiary of McCulloch Oil Corp.) on public land in Northwestern Arizona more than 150 miles from the nearest large city, will be closely watched. Should Havasu develop in conformity with its plan as a socially and economically balanced city, then the more sceptical authorities will be obliged to enlarge their sphere of "special circumstances" which allow a free-standing city project to progress to economic takeoff. It may well be that distinctive significance will then be ascribed to the fact that public lands were ~~used~~ ^{used} in large tracts at moderate prices to McCulloch. Obviously, then, the example of Lake Havasu City is central to our inquiry. If Havasu, for want of industry, turns into a resort or retirement settlement, then doubts about frontier new cities will grow.

What causes people to relocate in a new city? Jobs? Perhaps. What then brought the industry that provided the jobs? To a large extent it is people, or if not just people then it is probably a cross-section of urban infrastructure and services rarely found far from population clusters. The complementarity of industry and population, their interdependence as mutual cause and effect, confronts the potential city with the problem of stimulating a new chain of developmental causation.

^{6/} William Alonso, "What are New Towns For?" (Berkeley: Center for Planning and Development Research, 1969), mimeo.

^{7/} Lloyd Rodwin, "Economic problems in developing new towns and expanded towns," Background Paper No. 4 prepared for the United Nations Symposium on the Planning and Development of New Towns, Moscow, August 24 to September 7, 1964.

^{8/} Anthony Downs, "Alternative Forms of Future Urban Growth in the United States," Journal of the American Institute of Planners (January 1970).

People and industries tend to have similar needs besides their dependence on each other. Both the manufacturer and the consumer require a transportation system, the one to procure his materials and distribute his products, the other to get to his place of work and obtain his daily needs.

However, in the United States the people are probably more mobile than their industries. A high capital-to-labor ratio is an obvious bar to mobility. Fixed plant investments are not easily removable. Established local or regional markets are not hastily foregone. In the special case of industries which are large users of raw materials, there are very few locational options open: they are bound to maintain economic accessibility to their major input. For industries in which the major input is labor, then labor-force characteristics are foremost. The prevalence of desired skills, the degree of unionization and wage rates will affect a labor-intensive employer's locational selection. The mass migration of textile manufacturers from New England to the South is thought to have occurred for precisely these labor-related reasons. However, there is a slow but definite trend towards the equalization of wages occurring throughout the country.^{9/} This decrease in the wage differential among regions will broaden locational choices for most wage earners as it reduces a manufacturer's impulse to relocate in a less developed area. The friendliness of government manifested in complaisant regulations and modest taxation may also play some part in an employer's calculations.

Waterways and railroads once were necessities to any industry which exported its product beyond its locality. American enterprise is increasingly road-oriented, relying upon truck transport and an elaborate road network to carry its wares to the remotest corners of the country. Reliance upon highways relieves the manufacturer of one more locational constraint, allowing him to abandon the rail siding for the more abundant sites accessible by road. Planners of new cities in the Los Angeles area have shown careful regard for highway access. Every new community

^{9/} Harvey S. Perloff, How a Region Grows, Supplementary Papers No. 17, Committee for Economic Development (March 1963), p. 17

in the area has a major highway running through it or next to it.^{10/} Climate and the natural resources of scenery, water sites for recreation and mountain slopes for skiing are advantages the value of which increases daily with population growth and transportation improvements.

As production processes become more sophisticated and the need for highly trained employees increases, employers are even more dependent upon labor-force characteristics and employee preferences. The institutions which instruct individuals in complex skills tend to coexist close to the sophisticated amenities which serve the talented in their leisure hours, with the community of intellect exerting a powerful locational bond upon the graduate scientist or engineer. The proliferation of research and electronic enterprises around Route 128 near Boston's great universities, and outside Palo Alto, California, are witness to these kinds of employee-oriented activities.

If we were to construct a hierarchy of industrial activities proceeding from those most rigidly circumscribed by locational factors to the relatively footloose enterprises, we could begin with steel mills and bakeries. Although steel is supplied to a national market, it is bound to a few optimum locations by its huge appetite for mined raw materials which are expensive to transport. Bread is a fairly high-volume low-value perishable not economically manufactured for inter-regional consumption and so is a confined activity.

More footloose enterprises serving nationwide needs include magazine printers, electronics and research establishments. The printing enterprise will have some regard for product distribution, but a number of relatively central national sites could serve its purposes. The research activity could probably find a home near any number of intellectual communities.

A manufacturer of toothbrushes or light bulbs would be free of many of the restrictions of the steel manufacturer and could probably be satisfied with numerous locations served by good interregional trans-

^{10/} Edward P. Eichler and Marshall Kaplan, The Community Builders (Berkeley: University of California Press, 1967), p. 27.

portation and possessing a sufficient labor supply. The light weight of his product gives him more choices than the high-volume printer.

It is important to recognize that any activity requiring both a regional market and a large, diversified labor force will be attracted to a metropolitan area. An active user of certain services -- of lawyers, researchers, laboratory technicians -- also will probably be accommodated only in or around a large city. There are many activities which thrive in the interdependence of services to and services from a whole range of people, giving a larger city immense advantages over the smaller settlement. Consider the competing attractions of Irvine, California, near Los Angeles, and Lake Havasu City, Arizona. Both cities are attempting to attract a cross section of industries to their planned industrial parks. Irvine's industries will be served by lawyers and accountants, commercial printers and efficiency experts, vocational schools and plant security firms, all nearby in the L.A. area. Previously developed parts of the original Irvine Ranch such as Newport Beach offer their own growing panoply of commercial activity with the promise of expansion auguring more to come. Enterprises locating in Havasu, still a small city of about 5,000 people, will have to look to Las Vegas, Phoenix or Los Angeles for these same services. The extra time and money involved could well be compensated by tax advantages, cheaper rent and less need for such large-city services as high-level plant security. But Havasu industries will require compensations in one form or another for the lack of external service industries in a city whose industrial base now consists of a printing company, an electrical equipment manufacturer and McCulloch Industries.

One advantage a smaller city offer to retail enterprises is the cheaper, more efficient advertising costs available in a local newspaper or radio-TV station. Los Angeles and New York City are served by large circulation newspapers in which it is extremely expensive to advertise. It is difficult to advertise to a selective subregional audience in the New York Times or Los Angeles Times, and thus a single store in the Bronx or in Irvine necessarily wastes its message on the entire region. However, to be attractive to retail concerns, the smaller city must nevertheless possess a sufficient market to support a commercial center, something a market of 5,000 people does not afford.

The power of a college or university to attract people and investment to a community was perceived by Americans more than a century ago. In his account of the competition of Wooster, Ohio, for a new Presbyterian college in 1865, Daniel Boorstin has recorded that "Every argument -- from the certain increase in property values a decline in drunkenness as a result of the university's moralizing influence -- was urged and repeated. But the booster note dominated: the college would help Wooster and environs grow and prosper; private and community prosperity were inseparable."^{11/}

Obtaining a local college for a new town is still a coup of enviable finesse among developers. The new Irvine campus of the University of California will contribute an assured population to that city and enhance the liveliness of its cultural and intellectual life. Younger couples, writers, researchers, and the highly educated of various professions are likely to regard a university as an important inducement for settling nearby. From the developer's point of view a university has the advantages of being both a growth industry and a public investment. The construction of free-standing cities in the West, if attempted under public auspices, might well combine state powers to locate state university campuses with Federal ownership of public lands to assure growth and attractiveness.

This account of general locational considerations would be incomplete without acknowledging that the increasing unattractiveness of large American cities, and even of the suburbs which surround them -- suburbs now facing their own range of "urban problems" -- bodes well for the competitive position of the smaller city. At the same time instant communications, computer technology and jet air travel reduce the impact of transfer time even over great distances. The same technology is making the advantages of the large city, of its sports events and concerts, its theaters and movies, available to exurbanites and rural people. The air corridors and highway system link all America in an extraordinarily efficient, accessible transport net. Many of the forces which led to the extraordinary suburbanization of population and industry in postwar America are quite possibly on the verge of stimulating another, more far ranging deconcentration of activities.

^{11/} Daniel J. Boorstin, The Americans, The National Experience (New York: Vintage Books, 1967), p. 116.

Locational Characteristics of Areas in the West

Natural Resources

Deposits of oil, gas, coal, timber and many minerals will attract industry where the quantity and quality of the resources make it economic for extraction and processing. Countless Western cities owe their birth to the abundance of one or more such resources nearby. The search for treasure hidden in the earth becomes more intense as there is less left to discover. Diminishing supplies and improved technologies of extraction and refinement give economic value to less pure ores and deeper veins.

The oil shale deposits located under the Colorado Plateau have generated considerable interest on the part of industry, and it is not inconceivable that they could eventually provide the economic base for a new, independent city.

The Pacific Northwest has, in its vast timberlands, a commodity for which the demand is expected to outrun the supply before the end of the century.^{12/} This is one of the few basic resources used in very large quantity for which insufficiency is foreseen in the near future. Although substitution and importing are conceivable responses to the inadequacy of lumber supplies, it is also possible that existing American stocks of timber could become of such high value that the entire area would undergo a regional economic boom.

Climate is a natural resource of considerable importance in new town calculations. The kind of climate which appears most attractive as a growth stimulant is the sunny, temperate atmosphere of Southern Florida and Southern California. South Central Arizona's warm, dry climate is also considered a major factor in the spectacular expansion of the Phoenix area, just as the dry mildness of Denver is an important advantage. Although much of the West is characterized by harsh extremes of temperature, the extraordinary natural beauty of the Rockies, the arid starkness of parts of Northern Arizona and New Mexico and the rugged excitement of Western Montana have great potential for resort communities.

^{12/} Hans H. Landsberg, Leonard L. Fischman, and Joseph L. Fisher, Resources in America's Future (Baltimore: The Johns Hopkins Press for Resources for the Future, 1963), p. 360.

Aspen, Colorado, and Lake Tahoe, California, are examples of new towns where natural amenities encourage recreational development for skiing, sailing, riding and hiking, and thus permit an economic base to cohere around resort industries. A significant portion of Arizona's recent growth has consisted of older, retired couples in search of warmth and year-round outdoor leisure. Sun City, Arizona, is being developed primarily as a retirement community, and Lake Havasu City is expected to have a large retired population. Even though Havasu is planned as a balanced, independent new city with one quarter of its total employment accounted for by light industries, a great deal of money and energy are being lavished upon resort enterprises. The purchase of London Bridge at a total cost (purchase, transport, reassembly) of \$8.46 million has attracted worldwide attention for Havasu's International Resort Center with its British Crown Colony theme.^{13/}

Resort and retirement activities are not the only ones which flourish outside the ambit of metropolitan regions. The RAND Corp., by its move to Santa Monica, California, illustrated the relative freedom from conventional economic externalities which research activities possess. They are free to go just about wherever their employees are willing to move, which more and more is reducing the attractiveness of areas with harsh climates and few natural advantages. Resort, retirement and research enterprises are all relatively free from dependence upon external economies, large labor forces and proximity to a nearby regional market. Good climate and scenic beauty co-exist in parts of California, Arizona and Colorado -- places, in fact, where population is increasing very rapidly and where approximately half of America's new towns are found.^{14/}

Transportation

An executive of the California Land Company, developer of Valencia on the site of the Newhall Ranch, referred to the completion of Route 99 -- the freeway connecting the ranch with Los Angeles -- as "one of the prime catalysts in the company's decision to develop."^{15/} The promise

^{13/} Holly Development Co. for McCulloch Properties, Today's Story of Lake Havasu City, Arizona (Scottsdale, Arizona), p. 11.

^{14/} Table of Large Developments and New Communities compiled by the Division of New Communities.

^{15/} Eichler and Kaplan, The Community Builders, p. 27.

of good transportation facilities was also a motivating factor in the development of Lake Havasu City. During World War II an airport was constructed on the future site of the new town. Later, early in the development of Havasu, a new state highway (95) was built linking the site with Route 66 located 22 miles to the north. Western vacationers may now, with a slight detour off the major east-west motor link, stop off at London Bridge. And Havasu's own airport makes it a short hop from Las Vegas, Phoenix and Los Angeles.

Because of the large costs of construction airports, we may expect to see new cities not in metropolitan areas which rely solely upon highway transportation. Later growth may warrant the construction of an airport in such cities, but at first roads will often have to be sufficient. The congruence of good highways, especially a location near an interstate highway interchange, with an airport and a rail junction, would fulfill a developer's dream of a new city site. Such advantages are generally found only around larger cities, which is one more reason that new cities are so often satellites. Major roads which traverse extensive public lands are U.S. Routes 40, 66, 80N and 70. These and other highways in the National System of Interstate and Defense Highways represent one form of Federal subsidy to development of all kinds of public lands, for without efficient access, high value uses of any kind would be foreclosed.

Water

Mr. Frank Sortelli, chief of advanced planning of the Department of Community Development in Tucson, Arizona, has referred to water as the resource most likely to inhibit growth in areas of the West where other characteristics are favorable. Although water has always been scarce, some means has generally been found to divert water to areas of population settlement and industrial demand. Nothing speaks so compellingly in making the case for a diversion of water to one's own area as a burgeoning population and economy. For this reason, perhaps, Western cities continue their aggressive boosterism, advertising and promoting their area even to industries which are large consumers of scarce water. The water policies of some cities are no better than the habits of the old Western buffalo hunters, and may appear just as negligent and unforgivable by generations yet unborn. Sortelli observes: "The cost of water is continuing to rise. Large expenditures will be required by new cities to tap underground resources and

to provide a long-range water development program. Even the large cities are finding it difficult to provide the local share for the Central Arizona Project, which will bring surface water south of Phoenix and Tucson from the Colorado River." ^{16/}

Without large-scale planning of water resources in Arizona and other semiarid parts of the Southwest and California, large new city development cannot occur. Smaller new towns might tap wells, or arrange to use water from existing projects, but wells cannot be a long-range solution for a growing city, and most of the water from existing water projects is already allocated.

Land

The importance of large tracts of contiguous land characterized by modest grades and reasonable prices is perhaps too obviously necessary to new town development to deserve detailed analysis here. Many of the mountains and gorges and rugged, rockbound terrains which give the West innumerable sites with resort potential are unfit for extensive development. Advances in building technology and the willingness to undertake elaborate and costly infrastructure development could increase the potential population of exotically beautiful sites, but the prospect of such activities on any significant scale is remote.

Paradoxically, the very demand which renders land in metropolitan areas so valuable makes it less and less likely that whole new cities -- surely the "highest and best use" of such land -- can be constructed there. Increasingly, a developer cannot begin to assemble large amounts of land without alerting neighboring owners to the speculative possibilities. The great risks of slow-paying infrastructure and community facilities, the very patient money that a new city builder must be prepared to repose in his site, simply cannot wait out years spent in land acquisition only to be invested in land already commanding city prices. William Finley, a vice president of Rouse Company, developers of Columbia, Maryland, regards land acquisition as the main obstacle to private-sector new town development. ^{17/}

^{16/} Frank Sortelli to Jonathan B. Howes, February 2, 1970.

^{17/} In a speech entitled "Private Enterprise and New Communities--Columbia, Maryland," delivered at the conference "New York State Looks at New Communities," co-sponsored by New York State Urban Development Corporation and Urban America Inc., in Tarrytown, New York, July 2, 1969.

Land acquisition for new town development in the West has not been as great a problem as one might expect. As urbanization has spread out from central cities and their suburbs, it has often confronted large ranches in the path of growth. The Irvine, Newhall and Porter Ranches are huge Spanish land-grant estates which yielded to the intense demand for their land. The owners of these ranches saw large-scale planned development as the best way to urbanize their lands. Their location in very rapidly growing areas caused property taxes to soar until development became unavoidable.

Topographical and soil characteristics of land sites are especially important to the new town developer, for the construction of roads, water and sewer trunks and power lines are his responsibility. Where extensive grading, piling, bridging and filling are necessary the developer will incur prohibitively expensive costs. Site qualities which a disinterested observer might find bland are probably ideal for "development" under private auspices.

The Proof on Promise of Growth

The dominant objective of the relocating American family is economic opportunity. ^{18/} Opportunity is an imprecise word which means different things to different people, but in the aggregate, economic (i.e. job) opportunity in an area can be measured by projecting its rate of total job formation and then disaggregating the total to determine variable demand for specific types of employment. One might then compare the situation of the teacher, carpenter and lawyer in one area to that of his colleague in another.

If this is done for Western cities it appears that the rate of job formation is greatest in the larger metropolitan areas; ^{19/} comparable laborers and professionals earn more in the larger cities, ^{20/} and

^{18/} Sidney Sorenblum, "The Uses and Development of Regional Projections," in *Issues in Urban Economics*, ed. Harvey S. Perloff and Lowdon Wingo, Jr. (Baltimore: The Johns Hopkins Press for Resources for the Future, 1968), pp. 155-6.

^{19/} U.S. Bureau of the Census, *U.S. Census of Population: 1960, Selected Areas Report, Final Report*, PC (3)-1B, "Size of Place," Table 5.

^{20/} One example is school teachers. U.S. Department of Health, Education, and Welfare, Office of Education, "Statistics on Rural Schools," a U.S. Summary, 1955-56. Rural School Survey Circular No. 565.

there is a greater range of opportunity within each employee grouping than in the smaller cities. The hierarchy of city size correlates at the upper ranges with average income levels. ^{21/} Of course, it follows that the rate at which new housing must be constructed and the need for all other concomitants of growth will be greater in the large-city regions. This is what makes a new town site in such an area so appealing to a developer: the area has every promise of requiring the product he provides.

Most developers of new towns who have thus far applied to the Department of Housing and Urban Development for debenture insurance under Title IV possess sites in the outlying counties of large, rapidly expanding metropolitan areas.

The areas around Los Angeles, San Diego, San Francisco, Denver and Phoenix must be considered prime potential sites for new city locations. However, the recreation needs of existing populations may require that public lands in these areas not be developed. In fact, in such already populous areas the argument for further development on public lands would have to be very compelling.

The Decreasing Importance of Traditional Locational Constraints upon Development

Advances in transportation made the suburban boom in population and industry possible by relieving much industry from its dependence on rail and water freight, and by reducing the time distance of the journey to work. It is reasonable to anticipate that technological progress will eventually erode those forces which now favor the large, growing metropolitan areas.

Local physical constraints such as an inadequate water or fuel supply may be overcome by water recycling and new sources of power, opening up remote arid sites. Waste disposal units for the home may eliminate the need to lay expensive pipelines. Advances in construction techniques may make it feasible to develop land having poor soil conditions and variable topography. Rapid rail transit linking urban areas could

expand the areas around large cities adaptable to new town development, leaving a city 100 miles distant no more than an hour away. A culture of long distance, high speed driving has grown up in the West, and two hours' travel time is not regarded as a formidable barrier to regular access. Changes in manufacturing processes have led to the growth of a number of footloose industries whose transfer costs are small relative to the total cost of the product. Thus, a change in transport costs due to a change in location has a negligible effect on total product cost. Such industries are free to select areas where social and climatic characteristics are attractive. The electronics industry is one such activity which found the Southwest attractive.

Government, like new technology, can reduce the existing inhibitions on development in certain locations by changing the economic equation for the developer. Flood control and water development projects have brought enough economic activity and demand for urban facilities into an area to permit market forces to become self-sustaining. Boulder City, Nevada, was initially developed to serve those directly involved in building the Hoover Dam, and it was administered as part of the project. Changes in government expenditures in Western cities frequently account for abrupt changes in their growth. Government activity and defense-related industry play an important part in the economy of many Western cities, leaving them without the healthy, diversified enterprises an economist might be happier with, but leaving the government with the effective power to induce (or inhibit) growth at will. Richland, Washington and Los Alamos, New Mexico, are examples of cities wholly created by government. Similar support for cities in the future would assure similar success in areas where remoteness was a key advantage.

^{21/} U.S. Bureau of the Census, "Size of Place," Table 5.

CHAPTER V

METROPOLITAN GROWTH AND THE PUBLIC LANDS

Introduction

This section will elaborate projected population increases in the larger urban areas of the public land states. The purpose is to present a general picture of those counties which promise to grow significantly during the next decade. Although there are a number of possible strategies for influencing the spatial distribution of urban growth, the analysis here is adapted to the most modest, accommodationist approach. The underlying assumption of this strategy is that new cities should accommodate projected metropolitan increase and define and give order to sprawling regions.

Methodology

Attention is selectively directed to growing counties which already have a substantial urban population base. Only in urban areas with a population large enough to be an SMSA is there sufficient reason to channel future population increase into new cities. Existing urban areas of lesser size would obviously respond to new population by themselves absorbing the growth and expanding. In view of the fact that generally the larger the city, the greater the economic and other opportunities, especially in the West where many smaller cities have not had impressive growth records, this is as it should be.

It is not worthwhile to speak of viable new cities for target populations of less than 50,000. Single-purpose communities such as resort or retirement settlements may justify smaller populations, but an urban growth strategy is concerned with fully balanced cities where opportunities for all segments of the society are varied and sustained. British experience has seen new town population objectives steadily increase to a point where 75,000 to 100,000 is now viewed as the minimum population desirable. The reasons are complicated, but basically they have to do with economies of scale in everything from shopping facilities and retail market needs to stable job opportunities and sufficient diversity in the economy.

A state-by-state analysis will disclose those metropolitan areas with a population potential for new city development and public lands close enough to the SMSAs to be potential new city sites. An urban area is considered to have the population potential for new city development if it is an SMSA and has a projected population growth of over 50,000 in the next ten years. Those public lands within a 50-mile radius of the urbanized area are considered to be close enough to the SMSA to serve as sites for new cities. The following table and map indicate how the different SMSAs satisfy these two criteria for new town development on public lands. Population projections are based on unpublished, experimental data made available by the Bureau of the Census.

It is important to note that this study makes no judgments regarding the quality and adaptability of specific public land sites for urban development. Site analysis was not within the purview of this contract and it may well be that the public lands near an SMSA are better left in current uses for environmental or other reasons.

TABLE V-1

SMSAs IN THE PUBLIC LAND STATES

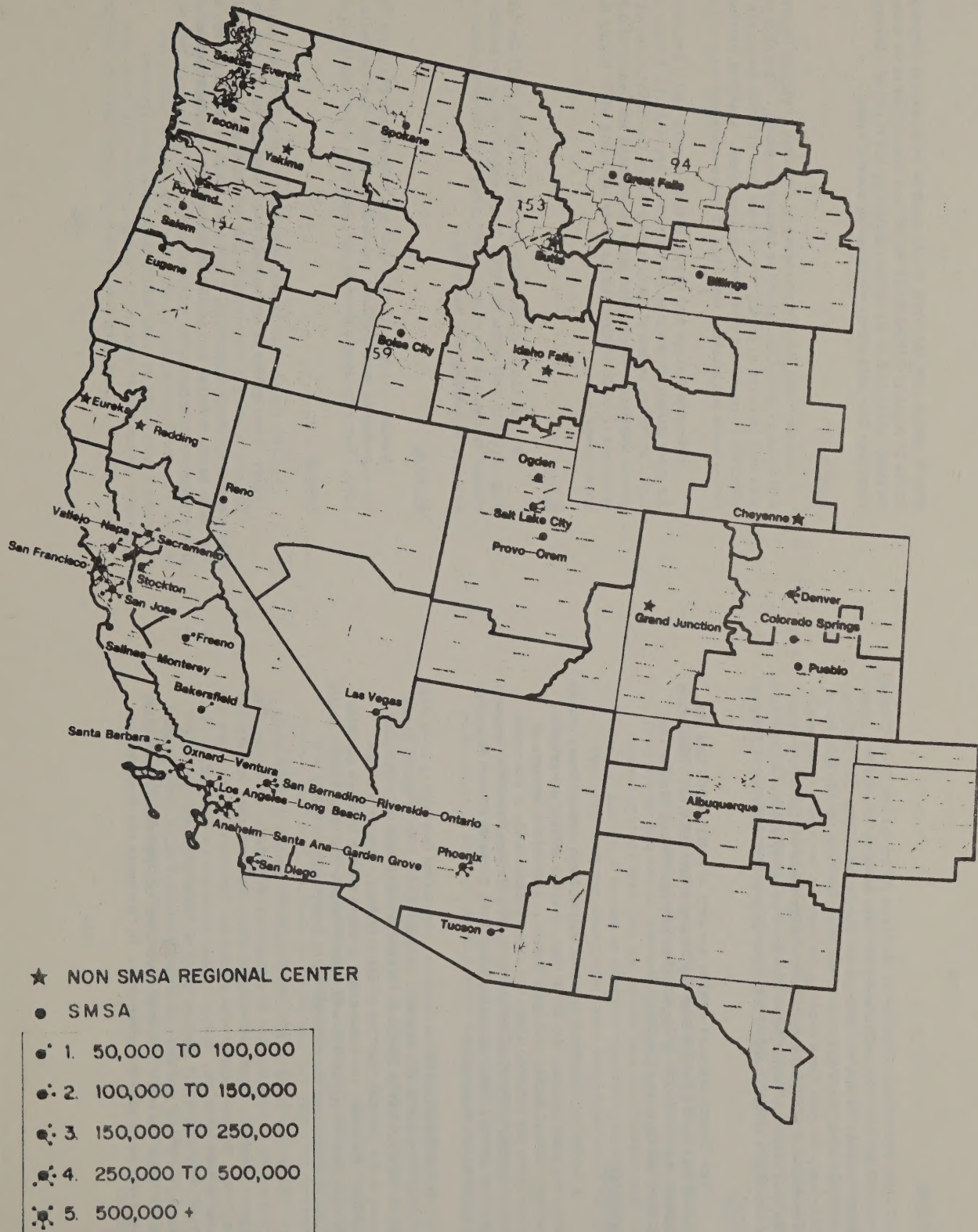
| State (SMSA or large city) | Class according to potential for new town development* | State (SMSA or large city) | Class according to potential for new town development* |
|----------------------------------|--|----------------------------------|--|
| ARIZONA | | IDAHO | |
| Phoenix | 4 | Boise City | - |
| Tucson | 1 | | |
| CALIFORNIA | | MONTANA | |
| Anaheim-Santa Ana- | | Great Falls | - |
| Garden Grove | 5 | Billings | - |
| Bakersfield | 1 | | |
| Fresno | 1 | NEVADA | |
| Los Angeles | 5 | Las Vegas | 1 |
| Oxnard-Ventura | 4 | Reno | - |
| Sacramento | 4 | | |
| Salinas-Monterey | - | NEW MEXICO | |
| San Bernardino- | | Albuquerque | 1 |
| Riverside-Ontario | 4 | | |
| San Diego | 3 | OREGON | |
| San Francisco | 5 | Eugene | - |
| San Jose | 5 | Portland | 2 |
| Santa Barbara | 2 | Salem | - |
| Stockton | 1 | | |
| Vallejo-Napa | 1 | UTAH | |
| | | Ogden | - |
| COLORADO | | Provo-Orem | - |
| Colorado Springs | - | Salt Lake City | 2 |
| Denver | 3 | | |
| Pueblo | - | WASHINGTON | |
| | | Seattle-Everett | 3 |
| | | Spokane | - |
| | | Tacoma | - |

* Classes defined according to the expected population increase in the ten-year period, 1970-1980, based on unpublished Bureau of the Census data.

| | |
|---|--------------------|
| 1 | 50,000 to 100,000 |
| 2 | 100,000 to 150,000 |
| 3 | 150,000 to 250,000 |
| 4 | 250,000 to 500,000 |
| 5 | 500,000 + |

ECONOMIC REGIONS OF THE WEST

SHOWING SMSA'S ACCORDING TO 1970-80 GROWTH PROJECTION
AND NON-SMSA REGIONAL CENTERS



SMSA'S DEFINED ACCORDING TO THE
EXPECTED POPULATION INCREASE IN
THE TEN YEAR PERIOD, 1970 TO 1980
BASED ON UNPUBLISHED BUREAU OF
THE CENSUS DATA.

Arizona

The two Arizona counties of Maricopa (Phoenix) and Pima (Tucson) will both grow significantly during the next decade. Maricopa's population increase for the ten-year period should be greater than 250,000, affording two or three large new town opportunities. If the time frame taken were the next three decades the case for large new cities would be compelling. Huge tracts of public lands lie in almost every direction from Phoenix, beginning at distances under 50 miles. Approximately two-thirds of the county's land area is in public domain and National Forest.

Pima County contains smaller amounts of public lands that are located less than 50 miles from the Tucson urbanized area. Population increase for the decade is expected to be substantially greater than 50,000, but less than 100,000.

California

A number of California counties will undergo extraordinary growth during the next decade. No fewer than 13 areas satisfy our criteria. Southern coastal SMSAs will grow fastest. Significant amounts of public lands are situated along the eastern hinterlands of the entire State. Another strip of public lands, mostly National Forests, extends down the northern coast (approximately 20 to 30 miles inland) to within 40 miles of San Francisco.

In Southern California counties, population increase is invariably expected to occur in the western, coastal portion, while public lands tend to be abundant in the east. Sizeable tracts remain in National Forest in the coastal counties of Santa Barbara, Ventura and Los Angeles. However, the dimensions of urban growth in these counties are such that the population will clearly require that most nearby public lands be maintained undeveloped for recreational purposes.

Major new cities of 250,000 or more by the end of the century would appear to be warranted by population projections in Orange, Los Angeles, Ventura, Placer-Sacramento-Yolo, Riverside-San Bernardino, San Diego, the five county area around San Francisco, Santa Clara and Santa Barbara counties. Public domain lands are situated within 50 miles of the population clusters of all of these counties. In some counties, such as San Bernardino and Riverside, much of the public domain lands are arid. However, new town site possibilities do exist near every major growing urban area. In California the diversion of

growth inland from the coast would seem to be eminently desirable and tracts of publicly-owned lands would lend themselves to an urban growth strategy which had as its primary objective the relief of urbanization pressures from sprawling, overgrowing coastal areas.

Colorado

Of the three major urban areas in Colorado, only the Denver SMSA will undergo significant absolute population growth. This five county area will increase in population by more than 150,000 during the 1970s, affording considerable new town opportunities. Abundant National Forest lands are situated less than 50 miles south and west of Denver.

Colorado Springs and Pueblo both have substantial populations, but their growth projections for the decade are modest. A state program aimed at "urban balance" could hardly ignore the implications of a growth imbalance which anticipated an increase for Denver at a rate sufficient to build another Pueblo every ten years while Pueblo itself grew slowly.

Idaho

The population increase for Ada County (Boise City) for the ten-year period is well under 50,000. There appears to be no reason to attempt to channel any of this growth away from the urban area, and a new city is therefore not warranted.

Montana

Neither Cascade (Great Falls) nor Yellowstone (Billings) Counties are expected to have anything approaching 50,000 new residents by 1980. New city development is not justifiable according to our criteria.

Nevada

Clark County (Las Vegas) will increase at a rapid rate during the 1980s. Total growth is anticipated to be between 50,000 and 100,000. The city's plans to accommodate this growth might make new city development difficult. However, a new town could be contemplated, according to our criteria, and public lands could be considered as potential, though arid, sites.

New Mexico

Bernalillo County (Albuquerque) is expected to record a population increase of between 50,000 and 100,000 during the decade. Public lands are situated advantageously for the new town development which appears worthy of consideration.

Oregon

The four counties which comprise the Portland SMSA are projected to increase by more than 100,000 during the decade. This fully satisfies our criteria for new city development. If nearby Marion and Polk Counties (Salem SMSA) are added, an additional ten-year increase of 25,000 may be expected.

Lane County (Eugene SMSA) is projected to increase by almost 20% over the ten-year period, but absolute increase under this assumption will still be well under 50,000.

All three Oregon SMSAs are located within 50 miles of public lands. The Willamette Forest lands lying roughly midway between Eugene and Portland, to the east, would appear to offer feasible new community sites.

Utah

Of the three large urban areas only Davis-Salt Lake (Salt Lake City) has a projected population increase in excess of 50,000 by 1980. The Salt Lake metropolitan area should add well over 100,000 people before the decade is out, offering the prospect of new city development and increase of the existing city. National Forest lands flank the eastern edge of the city from north to south for considerable distance.

Washington

Three urban counties containing the requisite base population are present in the state: Pierce, including the City of Tacoma; Spokane; and King-Snohomish, including the cities of Seattle and Everett.

However, the only urban area which fully satisfies our criteria is Seattle-Everett, in which increase over the ten-year period is expected to be greater than 150,000. Growth in the other large urban counties is expected to be modest.

One-third to half the land area of King-Snohomish counties consists of National Forest lands, suggesting significant opportunities for new community construction on these public lands even under the most modest, accommodationist growth strategy. The western edge of the National Forest lands is located approximately 30 miles from the Seattle line, well within a radius in which diversion of metropolitan increase might be considered feasible.

CHAPTER VI

THE GROWTH OF SMALLER CITIES AND THE PUBLIC LANDS

Introduction

There are those who advocate an urban growth policy which would invigorate America's cities and stimulate greater economic activity in non-metropolitan regions.^{1/} One way to accomplish these objectives would be to expand small cities by, in effect, constructing new cities adjacent to them. The new town would function administratively and in every other way as a continuation of the older city, but their combined size would make for broader economic opportunity and have greater positive impact upon the surrounding region.

The purpose of this chapter is to relate non-metropolitan cities to the public lands. If public lands are to be used to support a program of expanded smaller cities, then it will be useful to attempt a preliminary analysis of the cities which might be involved, locating them within their economic areas, describing their rail and air services, recording their recent population histories and identifying the significant economic activities on which they and their area depend.

The Uses of the Data

This chapter is designed to complement the chapter on "Metropolitan Growth and the Public Lands." In that chapter a preliminary analysis of major growing urban areas in the West revealed the dimensions of projected growth during the next decade, and indicated the presence of large tracts of public lands which might be used to accommodate anticipated population increases.

Here the purpose is to identify smaller cities to which Western population might be diverted, or in which rural and small town out-migrants might be concentrated and thus retained in less populous urban areas. It is important to note that the only cities under consideration are cities near or next to large tracts of public lands. It may well be that these are not the optimum locations for concentrating population. Problems of excessive costs necessary to turn around a seriously lagging economy environmental objections to urban development in National Forests or on other land of rare natural beauty, and local resistance to change may militate against the selection of one or more of the cities

^{1/} James Sundquist, "Where Shall They Live?", The Public Interest (Winter 1970), pp. 88-100.

considered for expansion. But these are questions for the next stage of research. Our purpose here is to identify cities whose expansion could occur on public lands and to provide the kind of data which will permit a further refinement of urban growth objectives as they might be accomplished through public land dispositions.

There are 92 smaller non-SMSA cities of at least 5,000 population which are close enough to large tracts of public lands to be expanded on the public lands. Fifty-one of these cities are located on or contiguous to public lands, while 51 are located at distances not greater than eight miles from public lands. Of the 92 cities, 38 or 41% have experienced annual population growth rates during the 1960-1969 period which are greater than the annual growth rate of 1.2%^{2/} for all U.S. nonmetropolitan cities during the period 1960-1966. Nine cities or 10% of the 92 cities have grown at about the same rate as other nonmetropolitan U.S. cities during the period, and 45 or 49% have grown at rates less than the average for nonmetropolitan cities. Tables VI-1 and VI-2 show aggregate data on these cities and lists them according to state.

The growth performance and unemployment data of our "public land cities" may inform the market-oriented planner that a government program could ride the trend of proven growth and economic stability by selecting cities which were already expanding without subsidy. On the other hand, a record of declining or comparatively poor growth performance together with serious unemployment may very well call for a program of subsidized regional development for the lagging area. The planner concerned for the diminishing opportunities in small town and rural America might wish government to respond by concentrating investment in the most seriously underdeveloped regions. The absence of airport and rail facilities, the incidence of problem unemployment and retarded per capita income performance or the regional over-dependence upon certain industries might then be useful to suggest locations where considerations of equity compel special attention.

^{2/} Richard L. Forstall, "Population Change in American Cities, 1960-1965," in *The Municipal Year Book 1966* (Chicago, Ill.: International City Managers' Association, 1966), p. 32.

Methodology

Nonmetropolitan cities located contiguous to or within eight miles of large tracts of public lands have been located within their economic areas. The economic areas used are those of the Economic Development Administration of the U.S. Department of Commerce, and they are named for their regional center. Cities are classified according to three population sizes as of 1969, based upon data contained in the Rand McNally Commercial Atlas and Marketing Guide, 1969 edition: 5,000 to 15,000; 15,000 to 25,000; and 25,000 and over. Population size classifications are indicated on each map by different symbols which appear in the key.

The population growth of each city for the nine-year period 1960-1969 has been analyzed and an annual growth rate adduced. This growth rate (based on 1960 Bureau of the Census data and estimates prepared for Rand McNally for the publication of their Commercial Atlas and Marketing Guide.) has then been compared to the average annual growth rate for nonmetropolitan cities in the United States for the period 1960-1965, 1.2%. The city symbol may have a plus or minus sign next to it, indicating that its annual growth has been greater than or less than the average annual U.S. nonmetropolitan city's growth. If no sign appears the city has been growing at approximately the same annual rate as nonmetropolitan cities throughout the country, with a variation no greater than .1% annually either way.

An airplane symbol appears next to the city if an airport is located within 25 miles, and railroads are indicated in the usual fashion. Highways are probably the most important transportation links in the smaller cities of the West, but they are not indicated for two reasons: U. S. cities generally tend to be served by roads which lead more or less directly to the nearest larger urban places and to major Federal and interstate roads in the vicinity; the mere depiction of such roads would only clutter up our maps, since the limitations of our contract have not permitted evaluation or detailed comparisons of road quality, and all highways would necessarily appear as single lines in the same color, suggesting a uniformity inconsistent with the facts.

Problem unemployment in a city or its region is indicated by the presence of a letter next to the city name. A letter "C" indicates the presence of concentrated unemployment. The U.S. Department of Labor defines unemployment as "concentrated" when low median family incomes, low average education levels, a high ratio of female to male heads of households, a high percentage of substandard housing, and general unemployment or underemployment characterize a labor area.

The letter "P" next to a city name indicates that the labor area is one characterized by persistent unemployment. The Labor Department defines an area's unemployment as "persistent" when unemployment during the most recent calendar year has averaged 6% or more of the work force, and the rate of unemployment has: "(1) averaged 6 percent or more and has been at least 50 percent above the national average for 3 of the preceding 4 calendar years, or (2) averaged 6 percent or more and has been at least 75 percent above the national average for 2 of the preceding calendar years, or (3) averaged 6 percent or more and has been at least 100% above the national average for 1 of the preceding 2 calendar years."

The letter "S" next to a city name indicates the presence in the labor area of substantial unemployment. The U.S. Department of Labor defines unemployment as "substantial" when "the current and anticipated local labor supply substantially exceeds labor requirements."

area is placed in this category when: "(1) unemployment in the area equal to 6 percent or more of its work force, discounting seasonal or temporary factors, and (2) It is anticipated that the rate of unemployment during the next 2 months will remain at 6 percent or more, discounting temporary or seasonal factors." Unemployment data has been taken from U.S. Department of Labor Manpower Administration Trends in Employment and Unemployment, June 1969.

For economic areas located outside the Pacific states the major sources of earnings by industrial sector are indicated. A comparison of proportional contribution made by each sector to the regional economy, with the place of that sector in the national economy, reveals the economic activities which play an especially important role in the region. When a particular economic activity accounts for at least 10% of total regional earnings than it does as a source of national earnings, it is sometimes said to be an "exporting industry," producing markets beyond its region. "Exporting industries" appear as shaded sections of the pie charts.

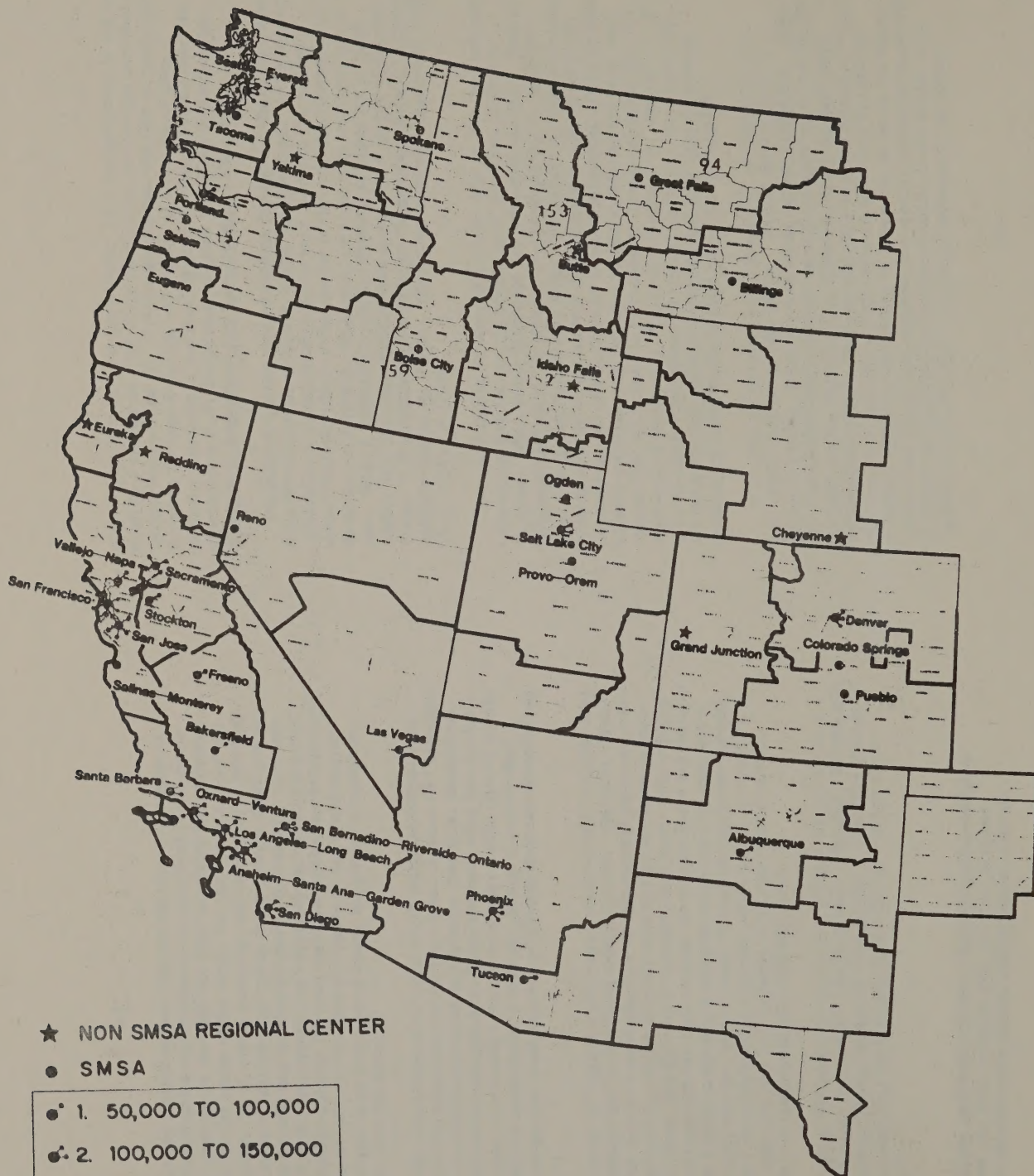
The significance of industrial sector data is that the prospects for the region may be seen to depend upon the future of certain industries. When these industries are inherently unstable, such as government military, or perhaps of limited potential, such as certain nearly depleted mining areas, investment in other industries may be necessary to assure that the region does not lag seriously as a consequence of fluctuations in major industries. Data regarding economic activities and personal income in the regions have been obtained from the Economic Development Administration of the U.S. Department of Commerce. Costs of computer time, charged according to the number of regions for which information was requested, were more than the contract permitted and thus data concerning economic activities in the Pacific states is not included.

It is difficult to relate water resources specifically to the future needs of cities or new towns. Data is not available in a form which permits localization of water resource problems. Moreover, the regional inadequacy of water to support future population increases may be offset by long-distance diversions from more plentiful water areas. This, in fact, has been the history of Western water use. Nevertheless, it has seemed necessary to indicate the general situation with regard to a resource on which all future economic and population growth in the West is critically dependent. The aridity of considerable amounts of public lands makes water availability and sufficiency especially relevant to our inquiry.

Therefore, we have included certain general water resource information. All data has been obtained from the First National Assessment of the Water Resources Council, published in Washington, D.C. in 1968.

ECONOMIC REGIONS OF THE WEST

SHOWING SMSA'S ACCORDING TO 1970-80 GROWTH PROJECTION
AND NON-SMSA REGIONAL CENTERS



★ NON SMSA REGIONAL CENTER

● SMSA

● 1. 50,000 TO 100,000

● 2. 100,000 TO 150,000

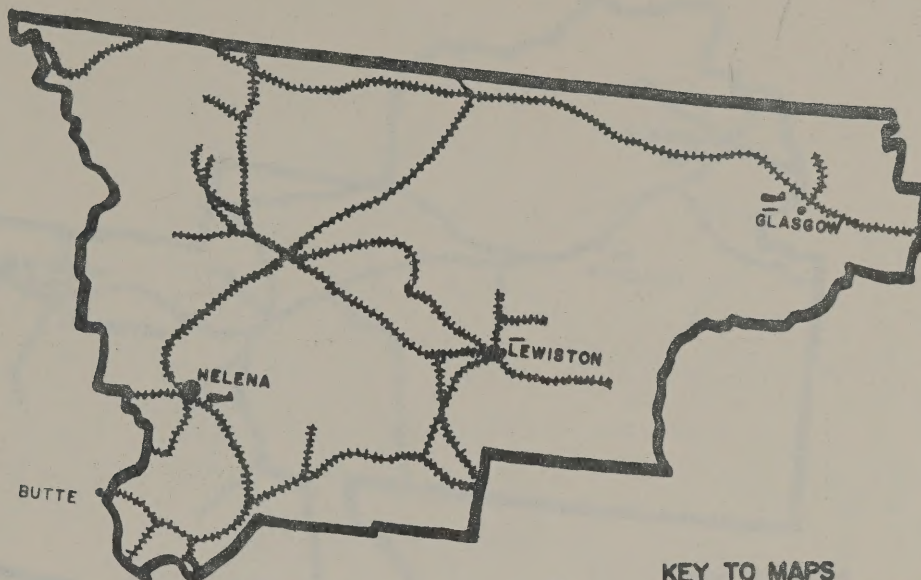
● 3. 150,000 TO 250,000

● 4. 250,000 TO 500,000

● 5. 500,000 +

SMSA'S DEFINED ACCORDING TO THE
EXPECTED POPULATION INCREASE IN
THE TEN YEAR PERIOD, 1970 TO 1980
BASED ON UNPUBLISHED BUREAU OF

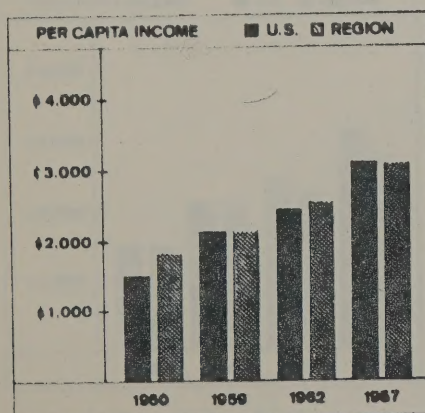
94. Great Falls, Montana



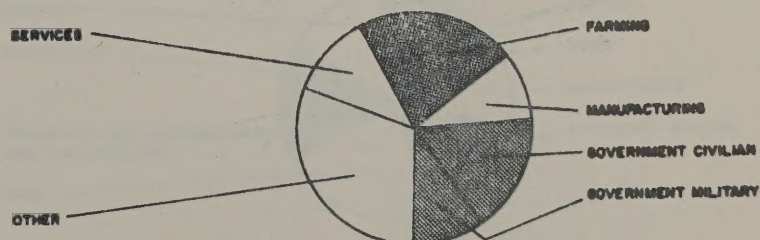
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- ⊙ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE*
- LESS THAN NATIONAL AVERAGE*
- AIRPORT WITHIN 25 MILES
- RAILROAD
- S SUBSTANTIAL UNEMPLOYMENT
- P PERSISTENT UNEMPLOYMENT
- C CONCENTRATED UNEMPLOYMENT

* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMBA CITIES
(1.2 % ANNUAL)



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

ECONOMIC REPORT OF THE YEAR

REPORT ON THE ECONOMIC SITUATION IN THE UNITED STATES AND ABROAD

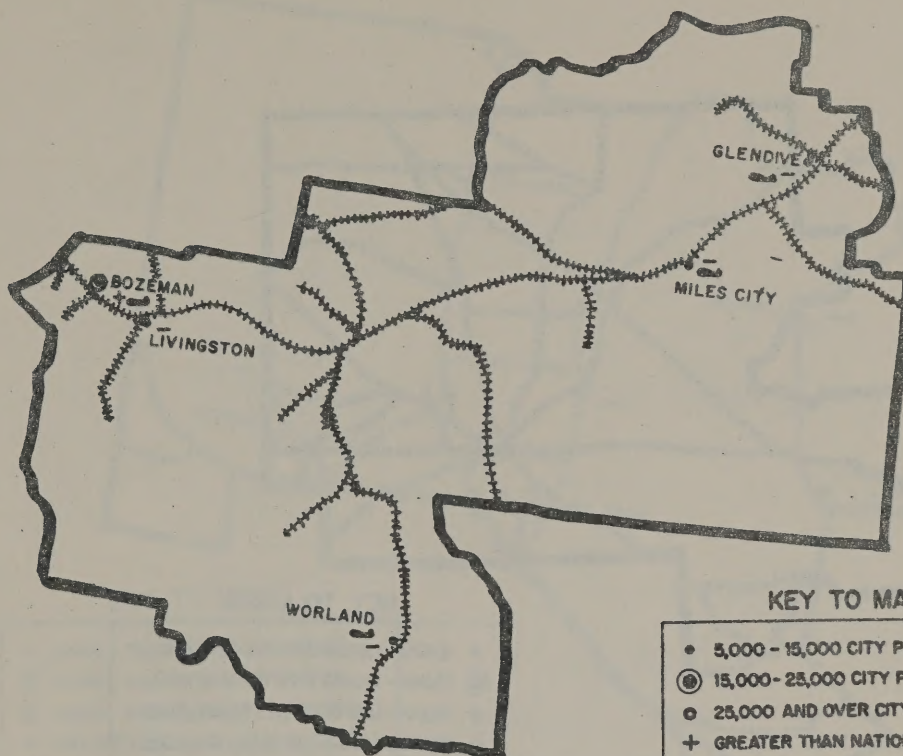


REPORT ON THE ECONOMIC SITUATION IN THE UNITED STATES AND ABROAD



REPORT ON THE ECONOMIC SITUATION IN THE UNITED STATES AND ABROAD

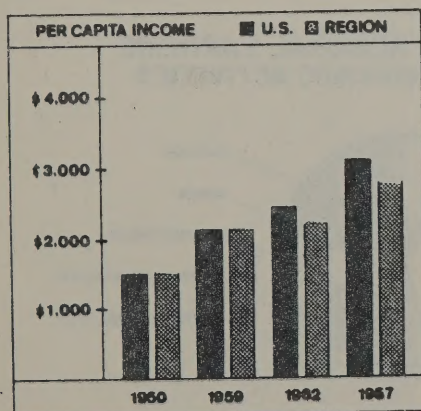
95. Billings, Montana



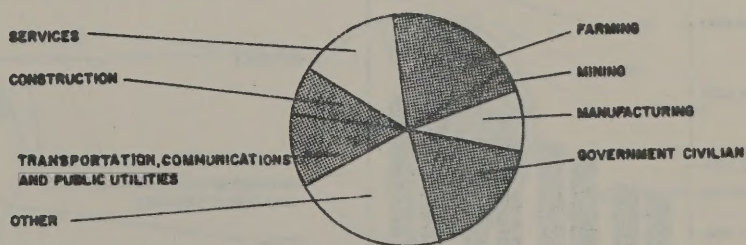
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- LESS THAN NATIONAL AVERAGE *
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- RAILROAD
- S SUBSTANTIAL UNEMPLOYMENT
- P PERSISTENT UNEMPLOYMENT
- C CONCENTRATED UNEMPLOYMENT

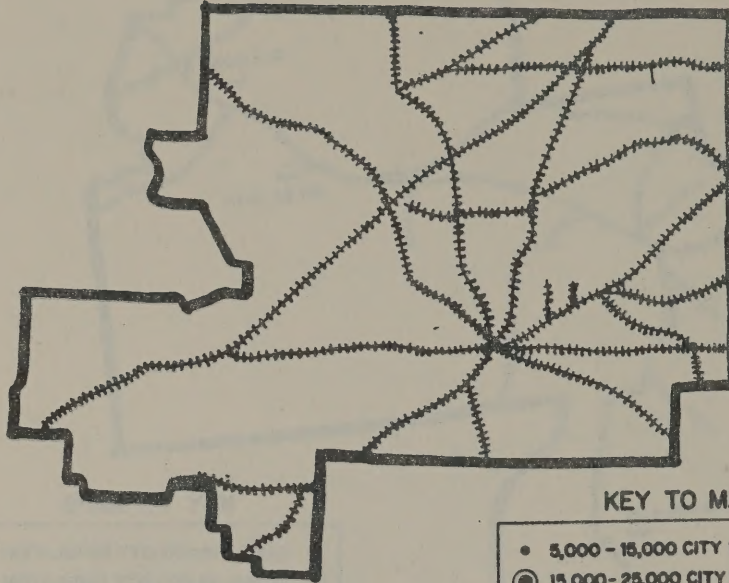
* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



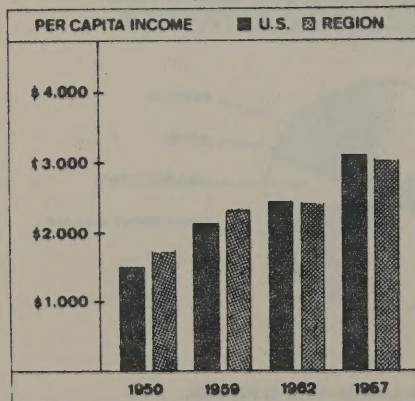
122. Amarillo, Texas



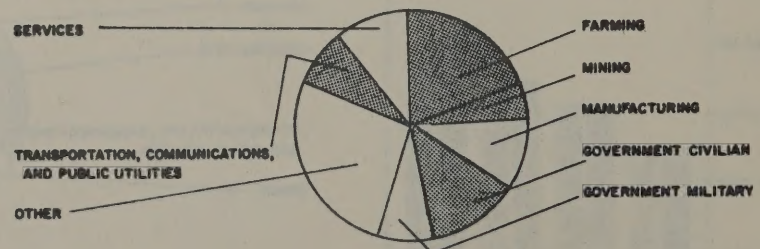
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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



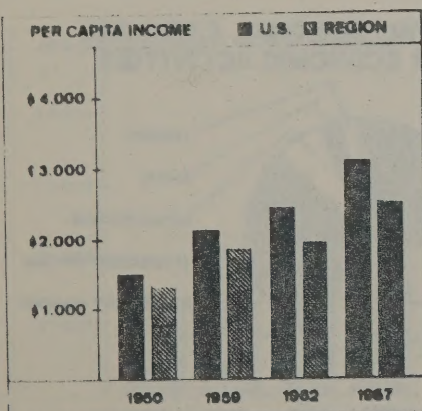
■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

145. El Paso, Texas

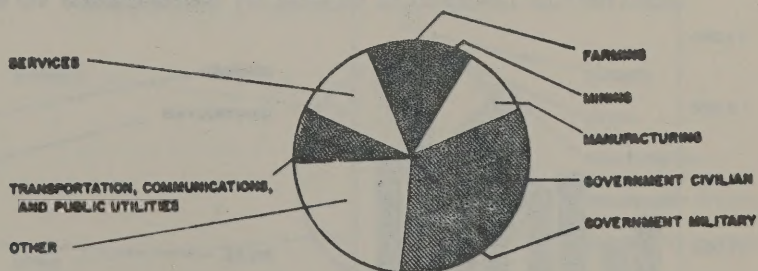


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 - LESS THAN NATIONAL AVERAGE *
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 - C CONCENTRATED UNEMPLOYMENT
- * POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



146. Albuquerque, New Mexico



KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- ⊕ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE *
- LESS THAN NATIONAL AVERAGE *

— AIRPORT WITHIN 25 MILES

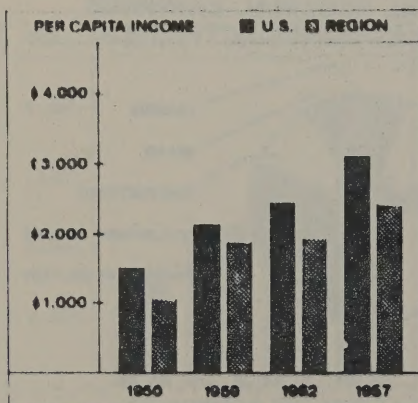
— RAILROAD

S SUBSTANTIAL UNEMPLOYMENT

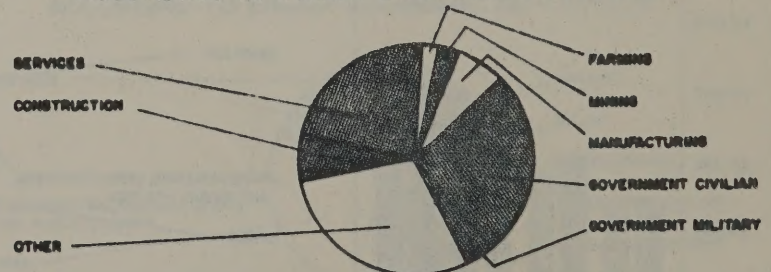
P PERSISTENT UNEMPLOYMENT

C CONCENTRATED UNEMPLOYMENT

* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)

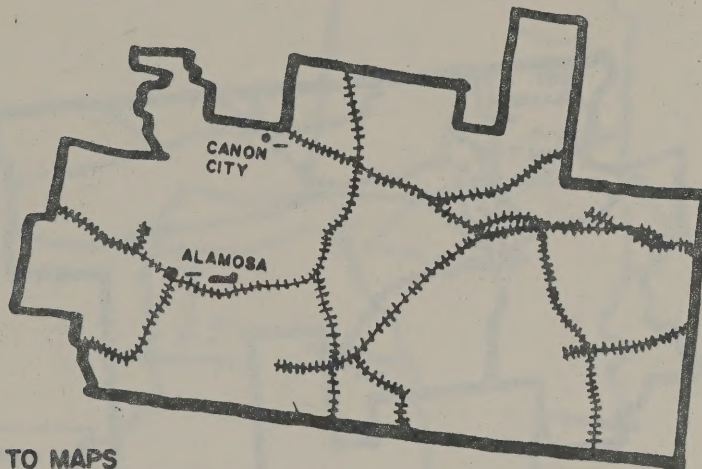


PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES

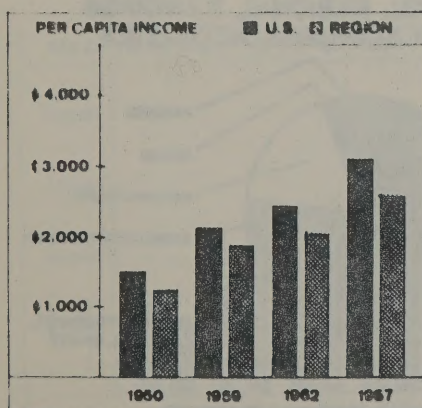
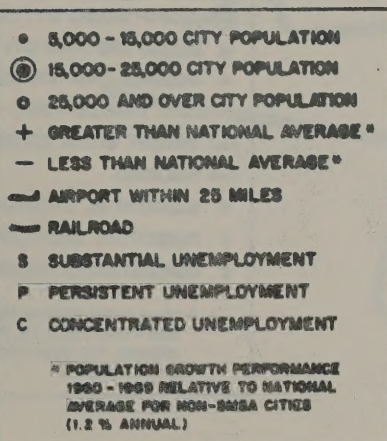


■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

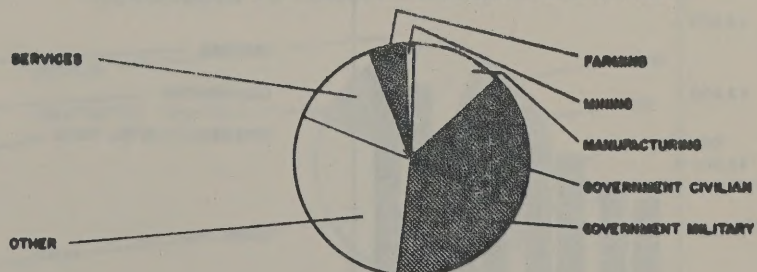
147. Pueblo, Colorado



KEY TO MAPS

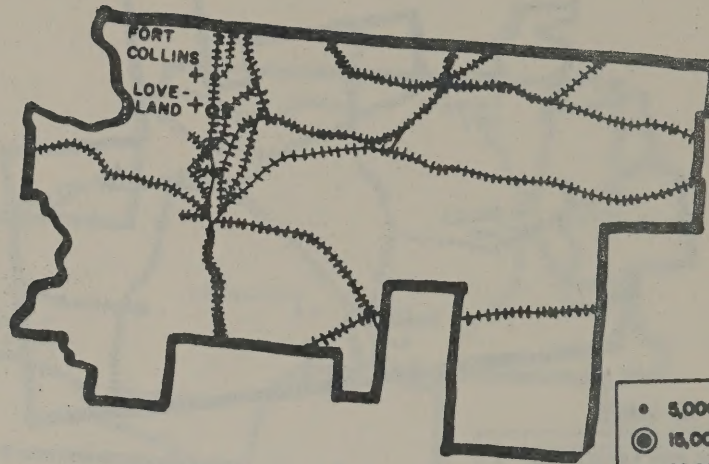


PERCENTAGE OF TOTAL REGIONAL EARNINGS
ACCORDING TO MAJOR ECONOMIC ACTIVITIES



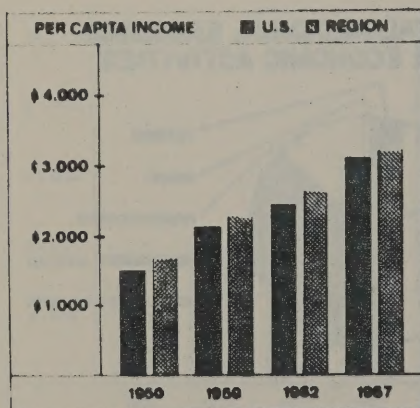
■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

148. Denver, Colorado

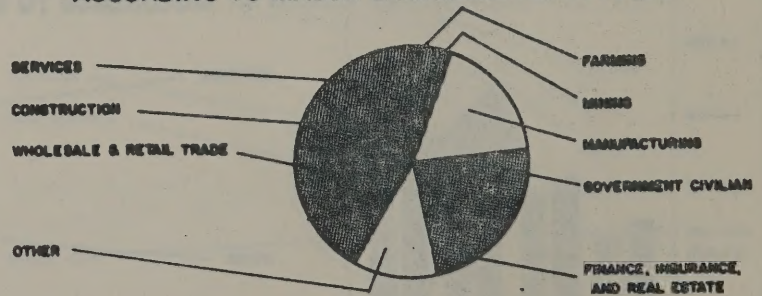


KEY TO MAPS

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- * POPULATION GROWTH PERFORMANCE 1960 - 1969 RELATIVE TO NATIONAL AVERAGE FOR NON-SMCA CITIES (1.2 % ANNUAL)

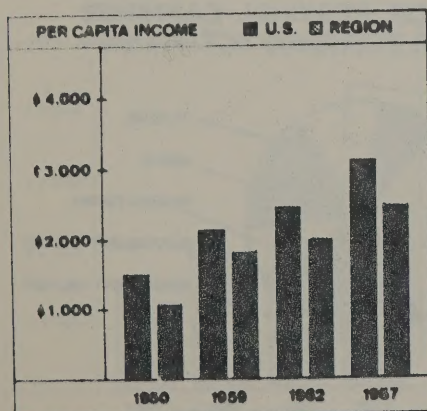
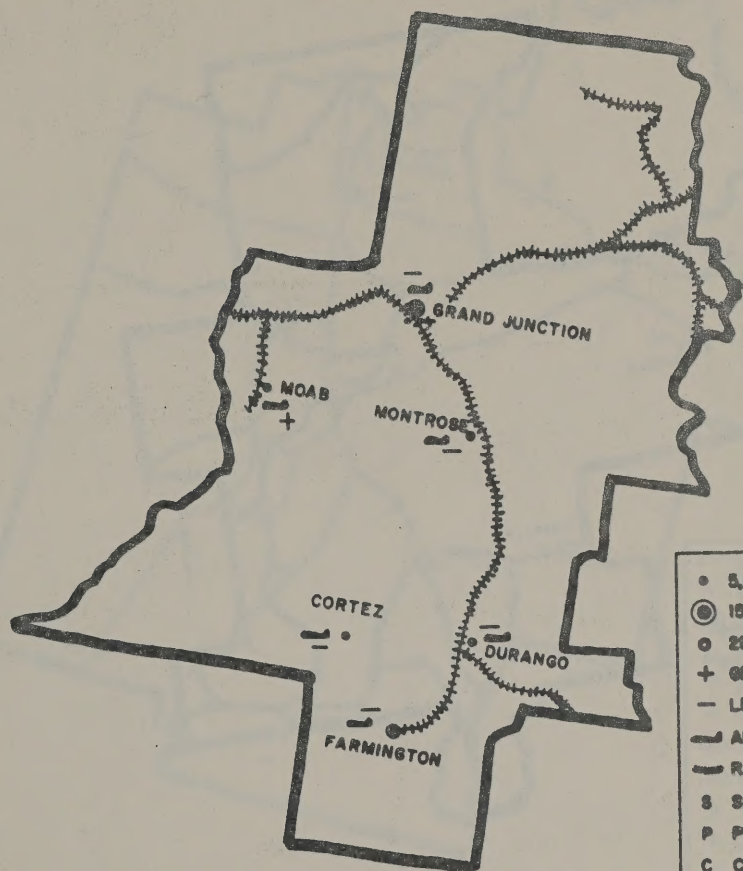


PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES

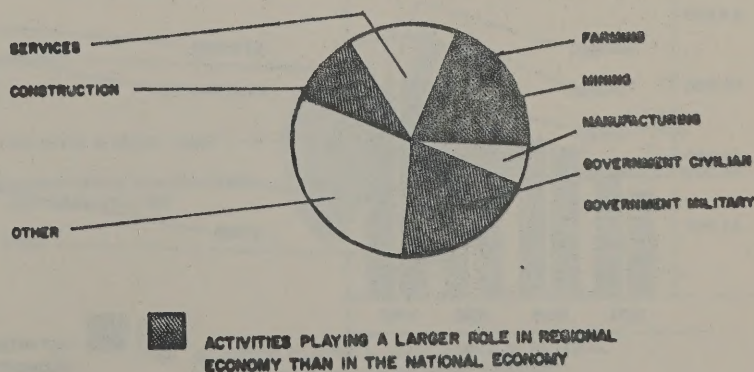


■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL ECONOMY THAN IN THE NATIONAL ECONOMY

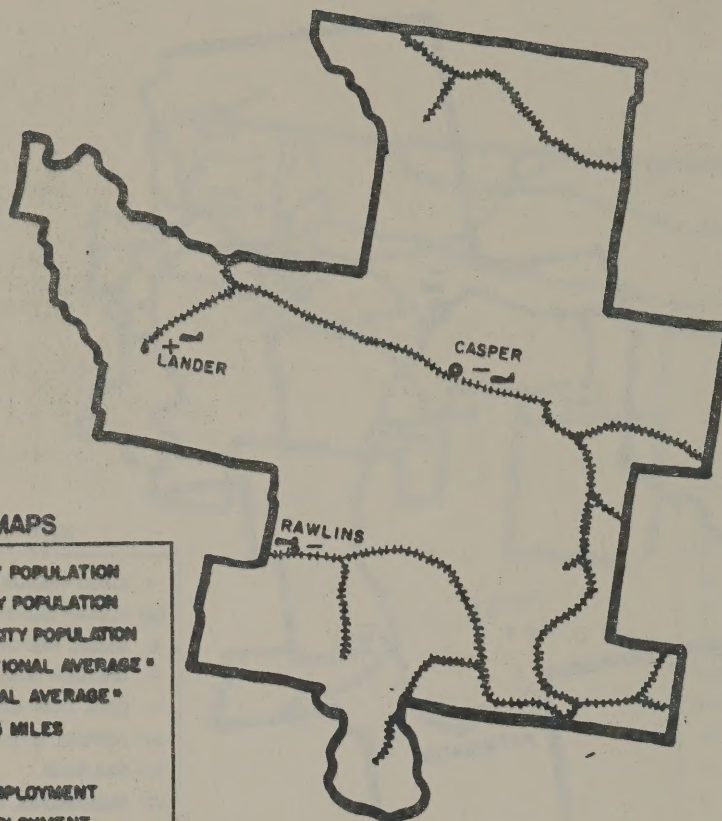
149. Grand Junction, Colorado



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



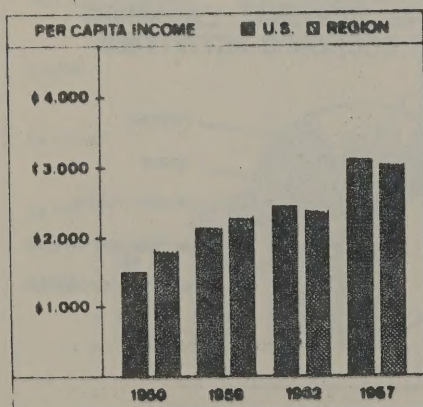
150. Cheyenne, Wyoming



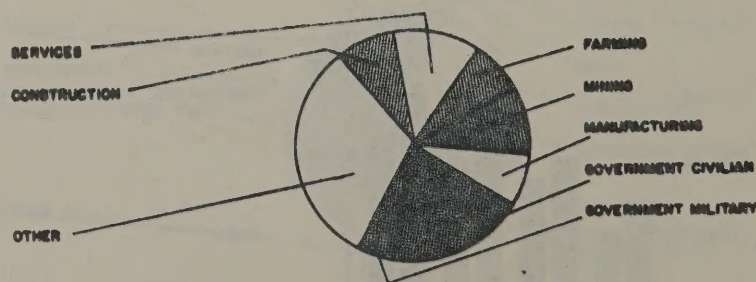
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* POPULATION GROWTH PERFORMANCE
1960 - 1980 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)

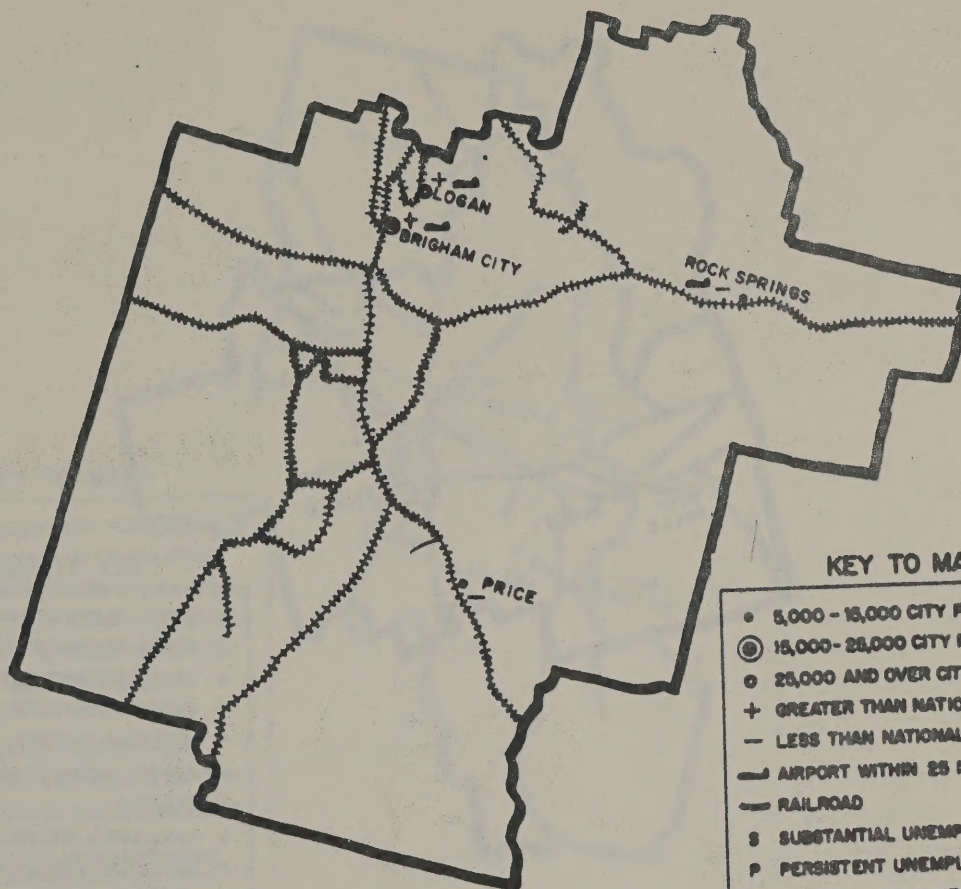


PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



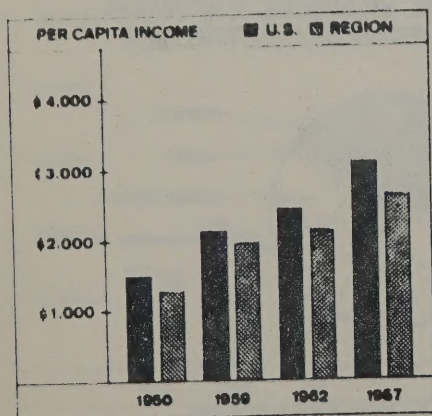
ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

151. Salt Lake City, Utah

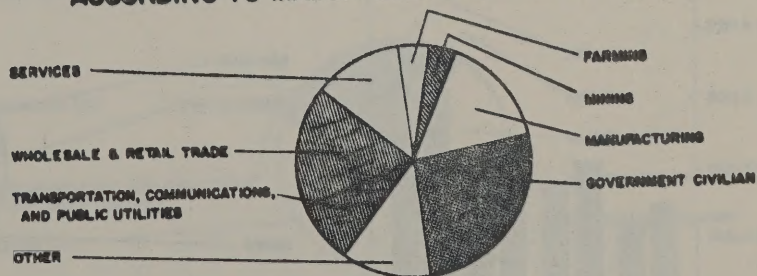


KEY TO MAPS

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- * POPULATION GROWTH PERFORMANCE 1960 - 1969 RELATIVE TO NATIONAL AVERAGE FOR NON-SMSA CITIES (1.2% ANNUAL)

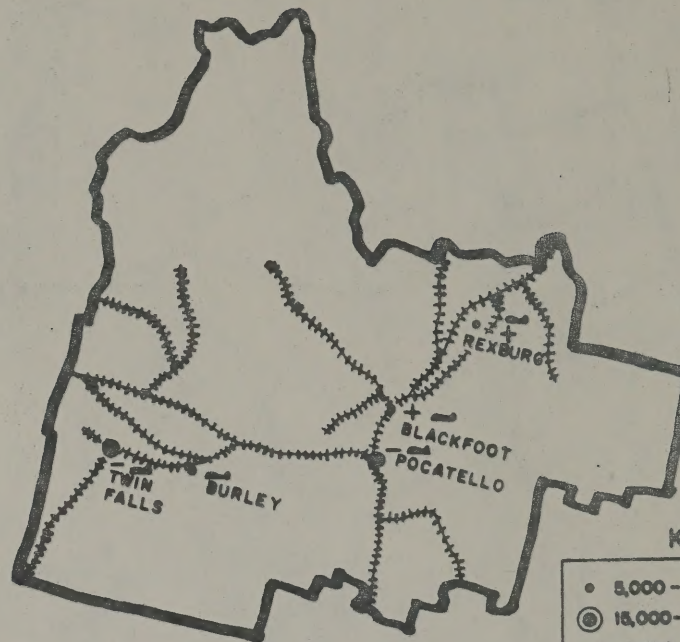


PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL ECONOMY THAN IN THE NATIONAL ECONOMY

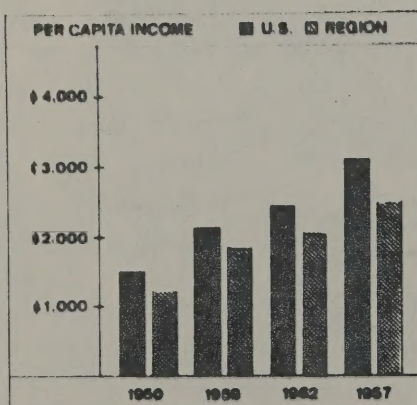
152. Idaho Falls, Idaho



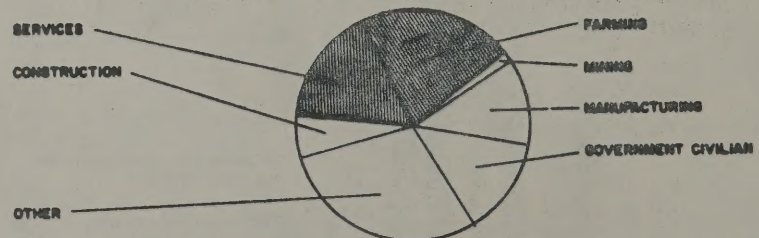
KEY TO MAPS

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* POPULATION GROWTH PERFORMANCE
1930 - 1960 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMCA CITIES
(1.2 % ANNUAL)



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



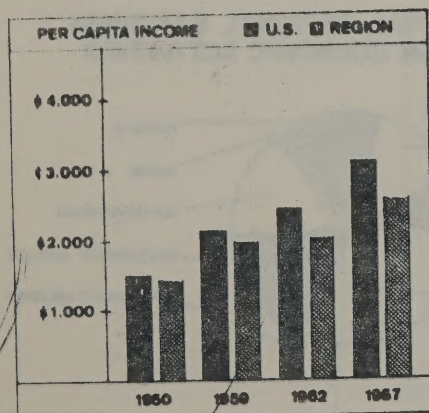
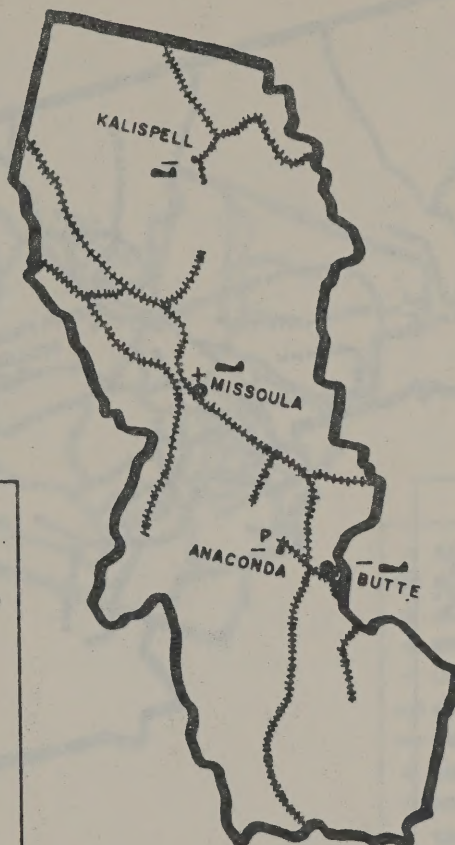
■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

153. Butte, Montana

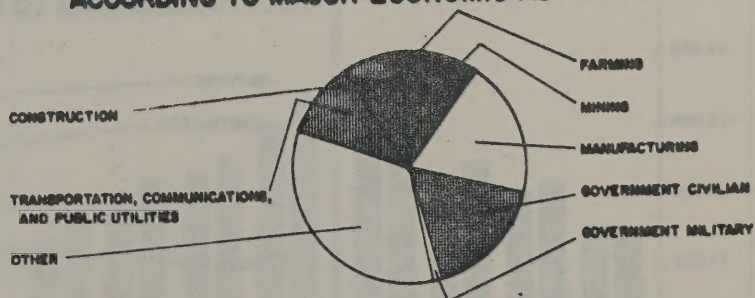
KEY TO MAPS

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- LESS THAN NATIONAL AVERAGE*
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* POPULATION GROWTH PERFORMANCE
1950 - 1965 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)

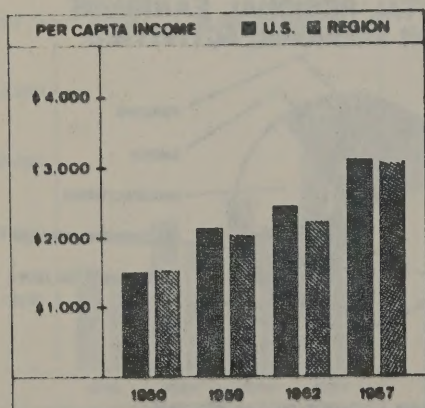
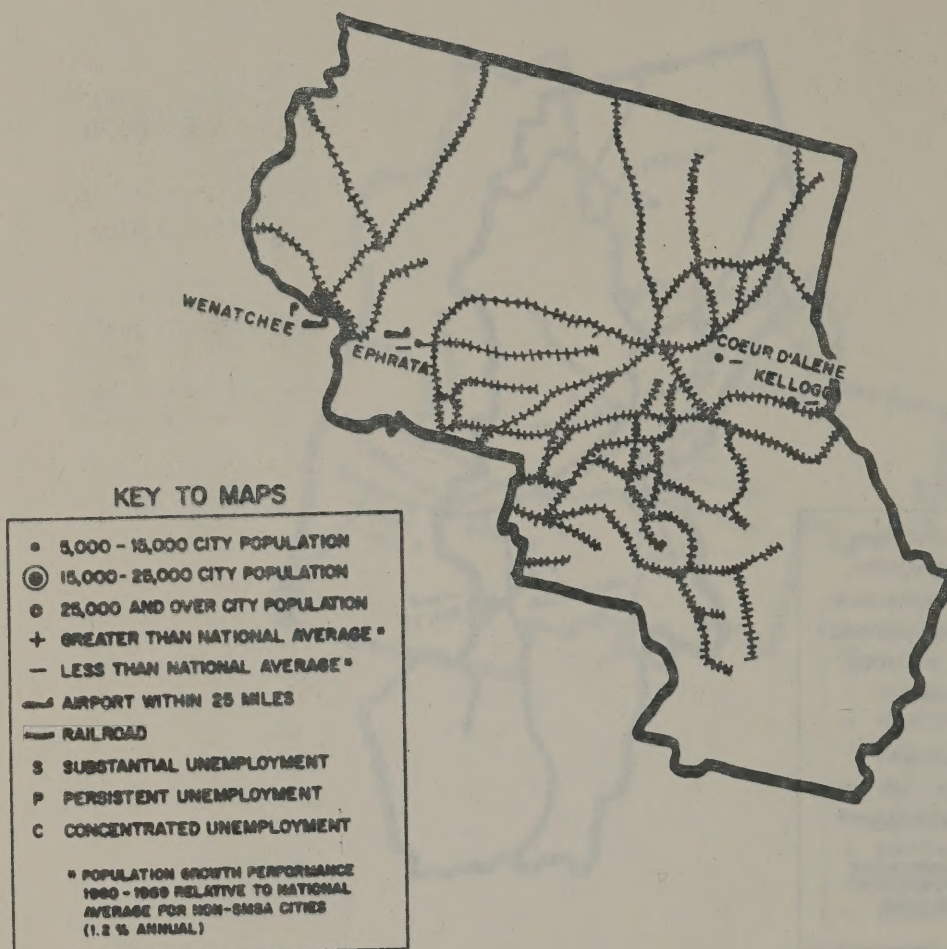


PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES

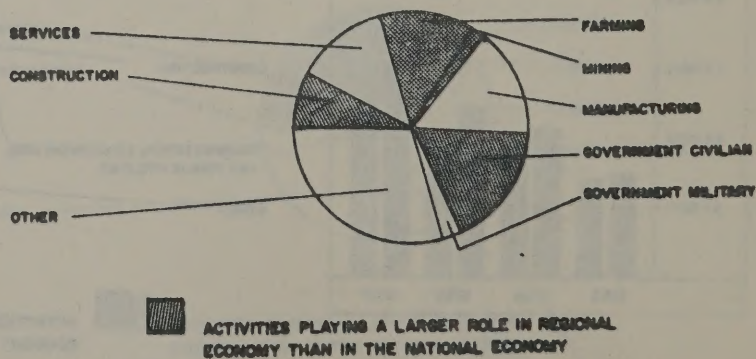


■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

154. Spokane, Washington



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



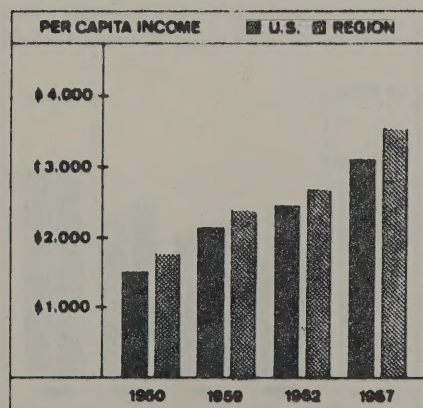
155. Seattle—Everett, Washington



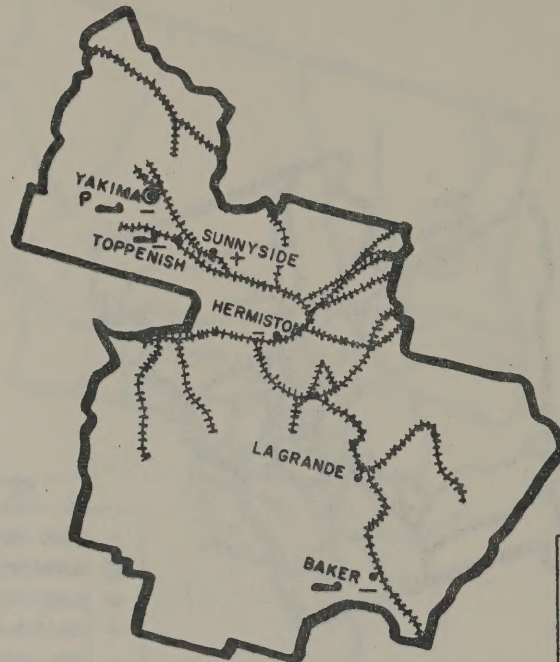
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- 15,000 - 25,000 CITY POPULATION
- ⊙ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE *
- LESS THAN NATIONAL AVERAGE *
- AIRPORT WITHIN 25 MILES
- RAILROAD
- S SUBSTANTIAL UNEMPLOYMENT
- P PERSISTENT UNEMPLOYMENT
- C CONCENTRATED UNEMPLOYMENT

* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)



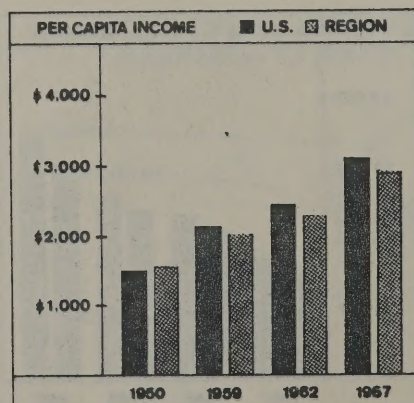
156. Yakima, Washington



KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE *
- LESS THAN NATIONAL AVERAGE *
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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-BMSA CITIES
(1.2 % ANNUAL)



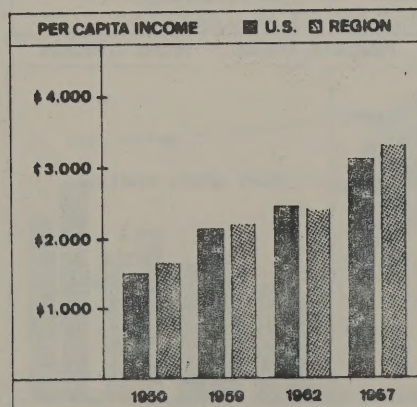
157. Portland, Oregon—Washington



KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ◉ 15,000 - 25,000 CITY POPULATION
- ◉ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE *
- LESS THAN NATIONAL AVERAGE *
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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMCA CITIES
(1.2 % ANNUAL)



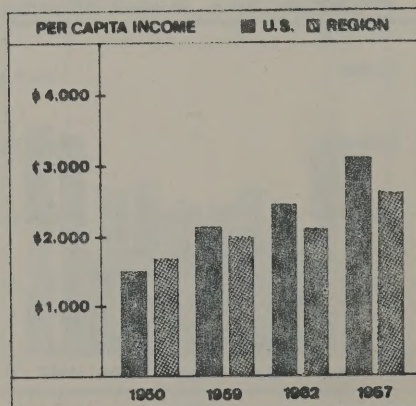
158. Eugene, Oregon



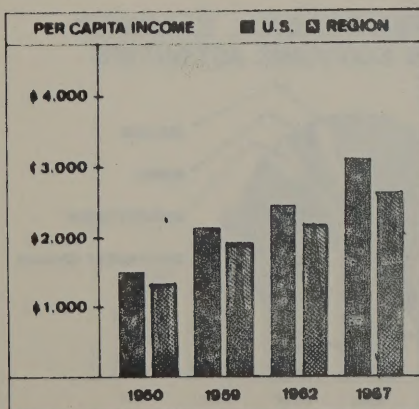
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- ⊙ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE*
- LESS THAN NATIONAL AVERAGE*
- AIRPORT WITHIN 25 MILES
- RAILROAD
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- P PERSISTENT UNEMPLOYMENT
- C CONCENTRATED UNEMPLOYMENT

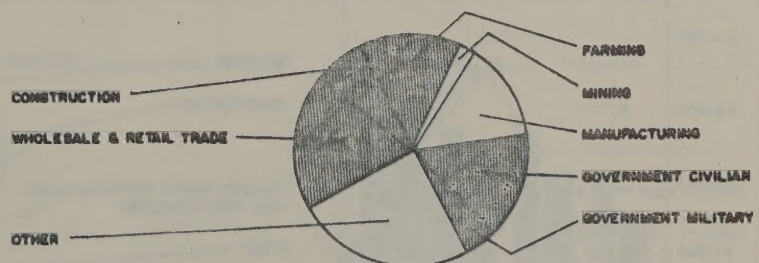
* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2% ANNUAL)



159. Boise City, Idaho



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



□ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL ECONOMY THAN IN THE NATIONAL ECONOMY

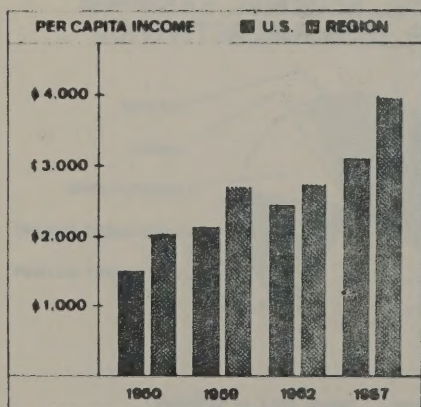
160. Reno, Nevada



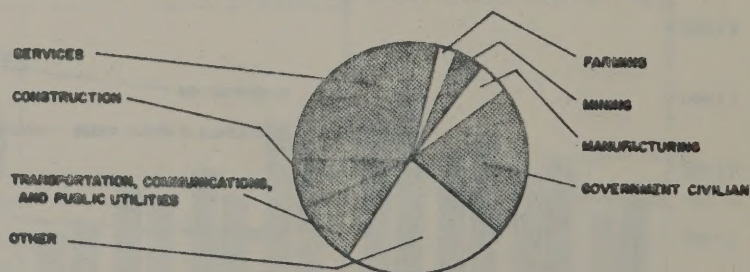
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- ⊙ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE*
- LESS THAN NATIONAL AVERAGE*
- AIRPORT WITHIN 25 MILES
- RAILROAD
- S SUBSTANTIAL UNEMPLOYMENT
- P PERSISTENT UNEMPLOYMENT
- C CONCENTRATED UNEMPLOYMENT

* POPULATION GROWTH PERFORMANCE
1960 - 1966 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)

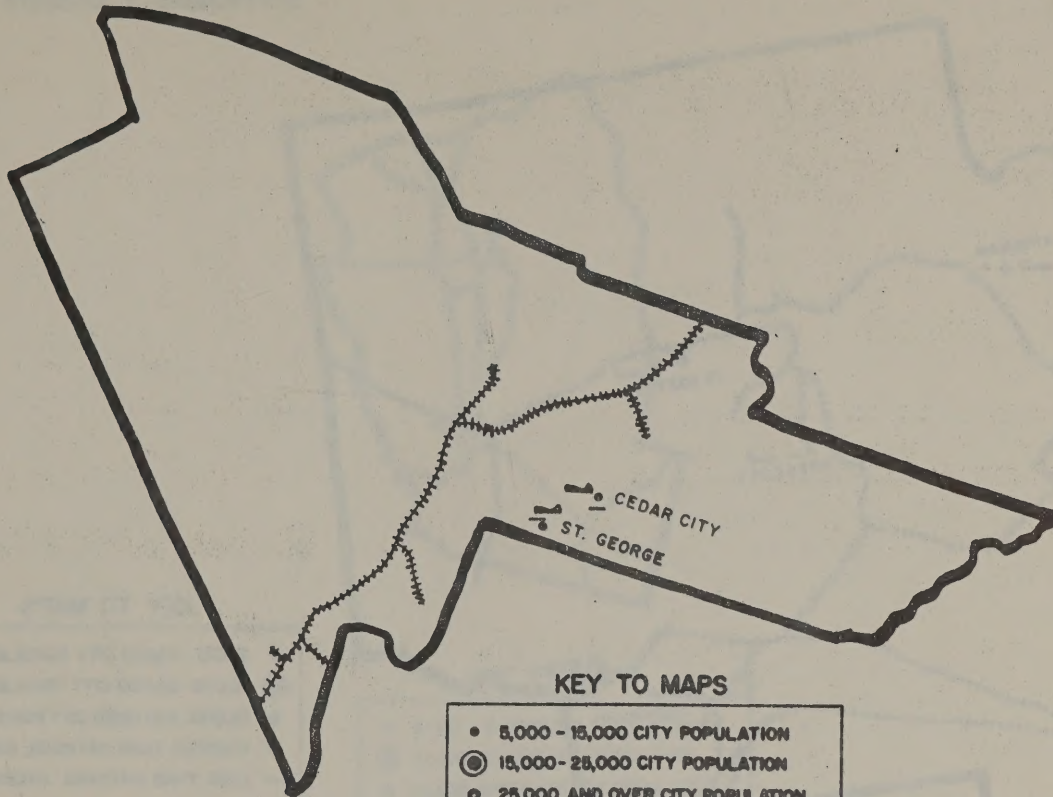


PERCENTAGE OF TOTAL REGIONAL EARNINGS
ACCORDING TO MAJOR ECONOMIC ACTIVITIES



ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

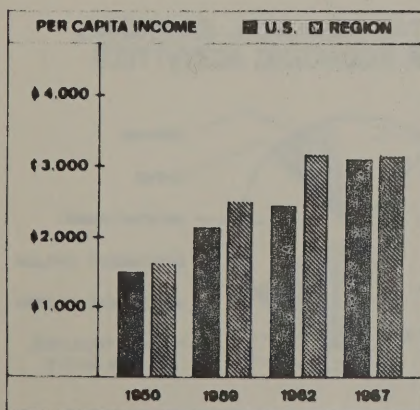
161. Las Vegas, Nevada



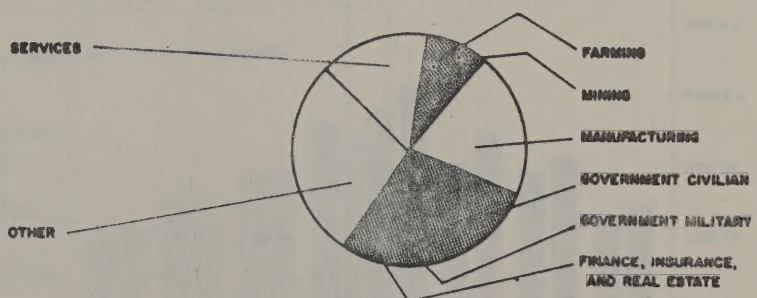
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- ⊖ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE*
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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMISA CITIES
(1.2 % ANNUAL)

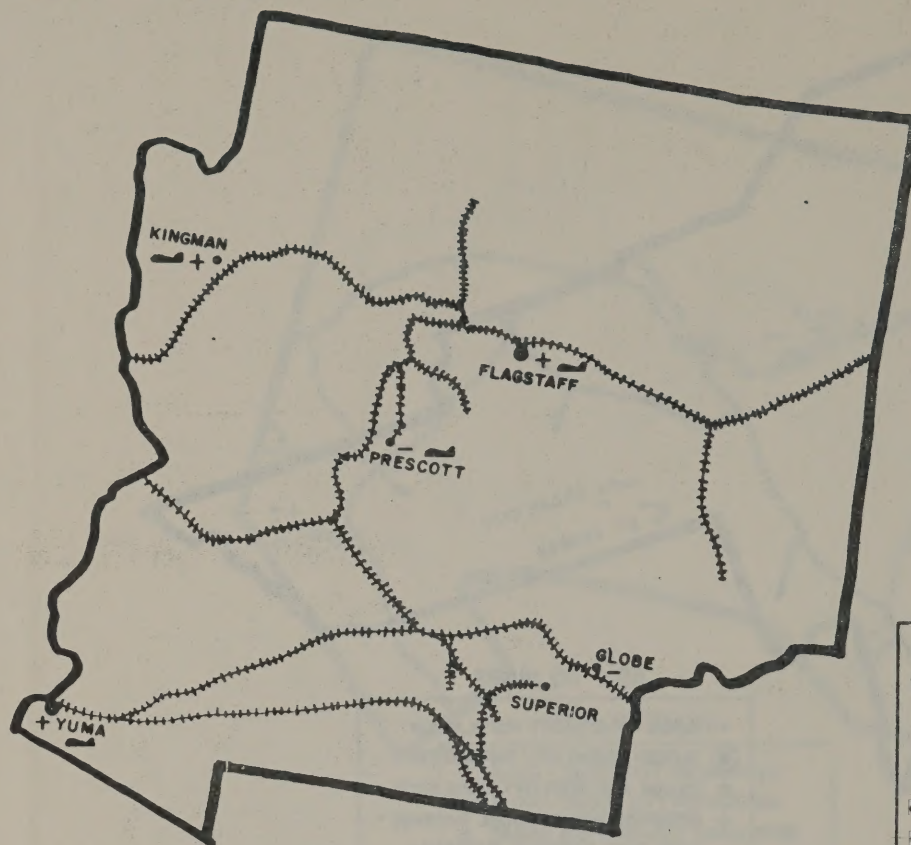


PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

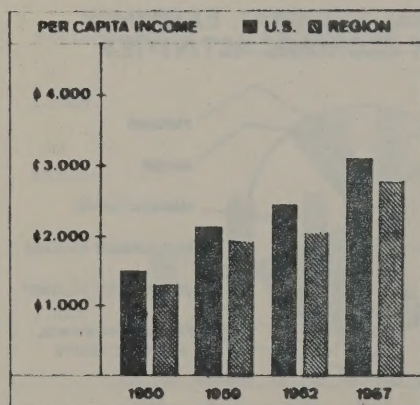
162. Phoenix, Arizona



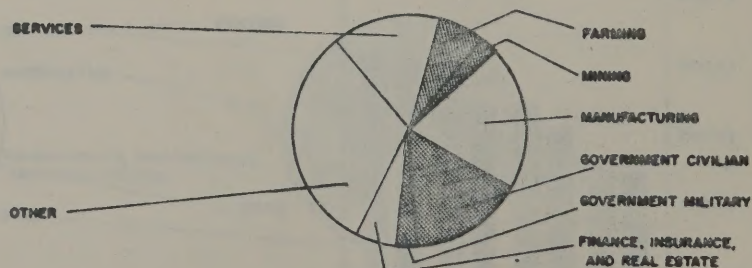
KEY TO MAPS

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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)



PERCENTAGE OF TOTAL REGIONAL EARNINGS ACCORDING TO MAJOR ECONOMIC ACTIVITIES



■ ACTIVITIES PLAYING A LARGER ROLE IN REGIONAL
ECONOMY THAN IN THE NATIONAL ECONOMY

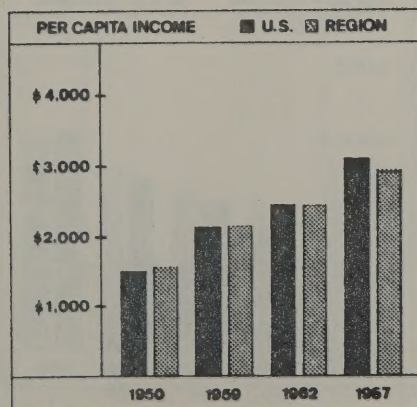
166. Fresno, California



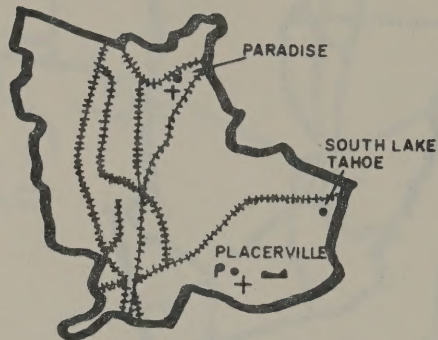
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE *
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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)



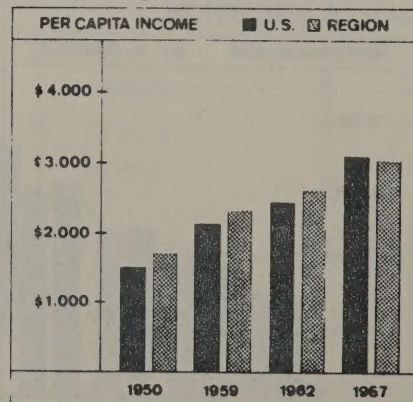
168. Sacramento, California



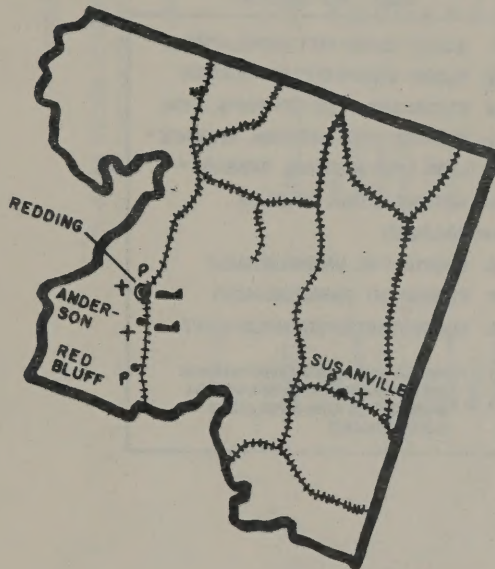
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- 15,000 - 25,000 CITY POPULATION
- 25,000 AND OVER CITY POPULATION
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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMSA CITIES
(1.2 % ANNUAL)



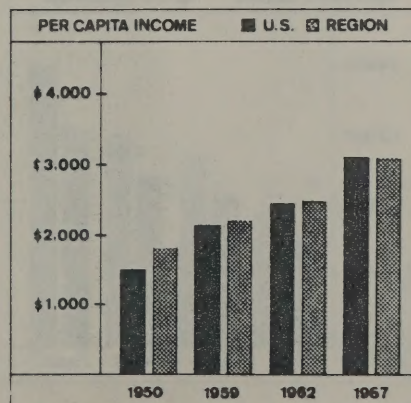
169. Redding, California



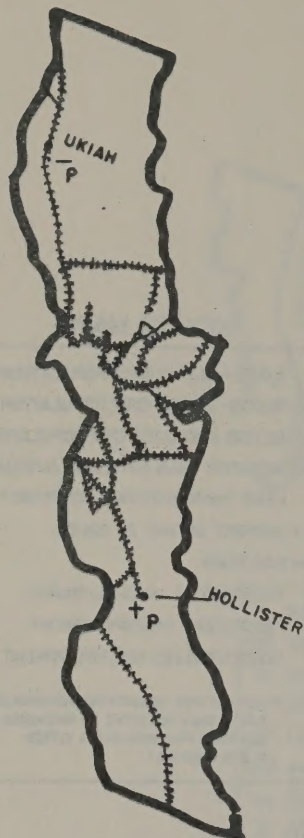
KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- 15,000 - 25,000 CITY POPULATION
- 25,000 AND OVER CITY POPULATION
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* POPULATION GROWTH PERFORMANCE
1980 - 1989 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMBA CITIES
(1.2 % ANNUAL)



171. San Francisco—Oakland, California



KEY TO MAPS

- 5,000 - 15,000 CITY POPULATION
- ⊙ 15,000 - 25,000 CITY POPULATION
- ⊖ 25,000 AND OVER CITY POPULATION
- + GREATER THAN NATIONAL AVERAGE *
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* POPULATION GROWTH PERFORMANCE
1960 - 1969 RELATIVE TO NATIONAL
AVERAGE FOR NON-SMBA CITIES
(1.2 % ANNUAL)

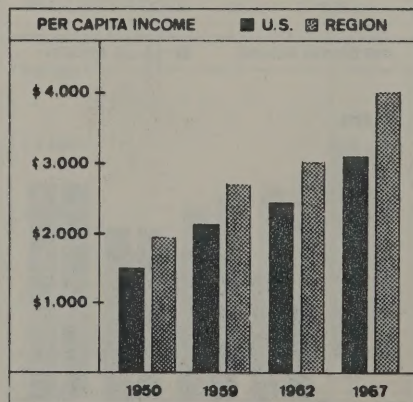


TABLE VI-1

AGGREGATE DATA ON NON-SMSA CITIES
CONTIGUOUS TO OR WITHIN 8 MILES OF PUBLIC LANDS

| State | Number of Cities | Contiguous to Public Lands | Greater than U.S.* | Equal to U.S.* | Less than U.S.* |
|------------|---------------------|-------------------------------|-----------------------|-------------------|--------------------|
| Arizona | 8 | 6 | 3 | 3 | 2 |
| California | 14 | 8 | 11 | 1 | 2 |
| Colorado | 8 | 5 | 2 | - | 6 |
| Idaho | 8 | 2 | 3 | 1 | 4 |
| Montana | 11 | 4 | 2 | 1 | 8 |
| Nevada | 2 | 2 | 2 | - | - |
| New Mexico | 15 | 12 | 5 | - | 10 |
| Oregon | 9 | 5 | 4 | 2 | 3 |
| Utah | 6 | 2 | 3 | - | 3 |
| Washington | 6 | 1 | 2 | 1 | 3 |
| Wyoming | 5 | 4 | 1 | - | 4 |
| TOTAL | 92 | 51 | 38 | 9 | 45 |
| | 100% | 55% | 41% | 10% | 49% |

*Growth rate for all non-SMSA's cities in U.S.

TABLE VI-2

NON-SMSA CITIES CONTIGUOUS TO OR WITHIN
8 MILES OF PUBLIC LANDS

BY STATE

ARIZONA

| County | City | Population (in thousands) | | Annual Growth Rate | Distance From Public Land* |
|------------|-----------|------------------------------|------|--------------------------|----------------------------------|
| | | 1960 | 1969 | | |
| Yuma | Yuma | 24.0 | 29.5 | 2.6 % | ✓ |
| Coconino | Flagstaff | 18.2 | 27.5 | 5.7 % | x |
| Yavapai | Prescott | 12.9 | 13.8 | .8 % | x |
| Santa Cruz | Nogales | 7.3 | 8.0 | 1.1 % | ✓ |
| Gila | Globe | 6.2 | 6.3 | .2 % | x |
| Mohave | Kingman | 4.5 | 6.0 | 3.6 % | x |
| Pinal | Superior | 4.9 | 5.4 | 1.2 % | x |
| Graham | Safford | 4.6 | 5.2 | 1.3 % | x |

CALIFORNIA

| | | | | | |
|-----------------|------------------|------|------|--------|---|
| San Luis Obispo | San Luis Obispo | 20.4 | 26.6 | 3.4 % | ✓ |
| San Luis Obispo | Atascadero | 6.0 | 8.5 | 4.7 % | x |
| San Luis Obispo | Morrow Bay | 3.7 | 8.5 | 14.5 % | ✓ |
| San Luis Obispo | Paso Robles | 6.7 | 7.4 | 1.2 % | ✓ |
| Shasta | Redding | 12.8 | 16.5 | 3.2 % | ✓ |
| Shasta | Anderson | 4.5 | 6.1 | 4.0 % | ✓ |
| Eldorado | South Lake Tahoe | ** | 14.4 | - | x |
| Eldorado | Placerville | 4.4 | 5.5 | 2.7 % | x |
| Butte | Paradise | 8.3 | 11.0 | 3.7 % | x |
| Mendocino | Ukiah | 9.9 | 10.4 | 5.6 % | ✓ |
| Tehama | Red Bluff | 7.2 | 8.0 | 12.3 % | x |
| San Benito | Hollister | 6.1 | 7.4 | 2.4 % | ✓ |
| Lassen | Susanville | 5.6 | 6.9 | 2.6 % | x |
| Sonoma | Rohnert Park | ** | 5.0 | - | x |

COLORADO

| | | | | | |
|-----------|----------------|------|------|--------|---|
| Larimer | Fort Collins | 25.0 | 39.0 | 6.2 % | ✓ |
| Larimer | Loveland | 10.0 | 11.5 | 2.0 % | ✓ |
| Mesa | Grand Junction | 18.7 | 19.2 | .3 % | x |
| Freemont | Canon City | 9.0 | 9.0 | - | x |
| La Plata | Durango | 10.5 | 8.5 | -2.1 % | x |
| Montezuma | Cortez | 6.8 | 6.8 | - | x |
| Alamosa | Alamosa | 6.2 | 6.2 | - | ✓ |
| Montrose | Montrose | 5.0 | 5.0 | - | x |

* x -- Within 8 miles ✓-- Contiguous to

** Incorporated since 1960

IDAHO

| County | City | Population (In thousands) | | Annual Growth Rate | Distance From Public Land* |
|------------|---------------|------------------------------|--------|--------------------------|----------------------------------|
| | | 1960 | 1969 | | |
| Bannock | Pocatello | 28.5 | 41.0** | .5 % | ✓ |
| Twin Falls | Twin Falls | 20.1 | 20.9 | .4 % | ✓ |
| Kootenai | Coeur d'Alene | 14.3 | 14.8 | .4 % | ✓ |
| Elmore | Mountain Home | 6.0 | 10.8 | 8.9 % | x |
| Bingham | Blackfoot | 7.4 | 8.8 | 2.1 % | ✓ |
| Cassia | Burley | 7.5 | 8.3 | 1.2 % | ✓ |
| Madison | Rexburg | 4.8 | 7.0 | 5.2 % | ✓ |
| Shoshone | Kellogg | 5.1 | 5.1 | - | x |

MONTANA

| | | | | | |
|-----------------|------------|------|------|--------|---|
| Missoula | Missoula | 27.1 | 33.5 | 2.6 % | ✓ |
| Silver Bow | Butte | 27.9 | 26.0 | -.7 % | ✓ |
| Lewis and Clark | Helena | 20.2 | 22.5 | 1.2 % | x |
| Gallatin | Bozeman | 13.4 | 18.0 | 3.9 % | ✓ |
| Flathead | Kalispell | 10.2 | 9.8 | -.4 % | ✓ |
| Deer Lodge | Anaconda | 12.1 | 9.5 | -2.4 % | x |
| Custer | Miles City | 9.7 | 9.2 | -.4 % | ✓ |
| Park | Livingston | 8.2 | 8.2 | - | ✓ |
| Fergus | Lewiston | 7.4 | 7.4 | - | ✓ |
| Dawson | Glendive | 7.1 | 7.1 | - | x |
| Valley | Glasgow | 6.4 | 6.4 | - | x |

NEVADA

| | | | | | |
|--------|-------------|-----|-----|-------|---|
| Orsmby | Carson City | 5.2 | 9.5 | 8.3 % | x |
| Elko | Elko | 6.3 | 7.2 | 1.4 % | x |

NEW MEXICO

| | | | | | |
|----------|-----------------|------|------|--------|---|
| Santa Fe | Santa Fe | 33.4 | 42.0 | 4.6 % | x |
| Dona Ana | Las Cruces | 29.4 | 40.0 | 4.0 % | ✓ |
| Dona Ana | University Park | *** | 5.5 | - | x |
| Chavez | Roswell | 39.6 | 36.0 | -1.0 % | x |
| Eddy | Carlsbad | 25.5 | 26.0 | .2 % | x |
| Eddy | Artesia | 12.0 | 12.5 | .5 % | x |
| San Juan | Farmington | 23.8 | 22.5 | -.6 % | x |
| McKinley | Gallop | 14.1 | 17.5 | 2.7 % | x |

* x-- Within 8 miles / -- Contiguous to

** Includes Alameda, Idaho, population 10,660 in 1960, annexed or consolidated with Pocatello in 1962.

*** Incorporated since 1960

NEW MEXICO (Cont'd.)

| County | City | Population (In thousands) | | Annual Growth Rate | Distance From Public Land* |
|------------|-------------|------------------------------|------|--------------------------|----------------------------------|
| | | 1960 | 1969 | | |
| Otero | Alamogordo | 21.7 | 17.0 | -2.2 % | x |
| Los Alamos | Los Alamos | 12.6 | 16.5 | 3.5 % | ✓ |
| Valencia | Grants | 10.3 | 11.5 | 1.3 % | x |
| Valencia | Belen | 5.0 | 5.0 | - | ✓ |
| Grant | Silver City | 7.0 | 7.0 | - | x |
| Luna | Deming | 6.8 | 6.8 | - | x |
| Socorro | Socorro | 5.3 | 5.3 | - | x |

OREGON

| | | | | | |
|---------------|---------------|------|------|-------|---|
| Klamath Falls | Klamath Falls | 16.9 | 16.5 | -.3 % | x |
| Deschutes | Bend | 11.9 | 13.2 | 1.1 % | x |
| Jackson | Ashland | 9.1 | 12.2 | 3.8 % | x |
| Union | La Grande | 9.0 | 9.9 | 1.1 % | ✓ |
| Baker | Baker | 10.0 | 9.1 | - | x |
| Coos | North Bend | 7.5 | 8.3 | 1.8 % | ✓ |
| Malheur | Ontario | 5.1 | 6.1 | 2.2 % | ✓ |
| Lincoln | Newport | 5.3 | 5.8 | .9 % | ✓ |
| Umatilla | Hermiston | 4.4 | 5.1 | 1.8 % | x |

UTAH

| | | | | | |
|------------|--------------|------|------|-------|---|
| Cache | Logan | 18.7 | 23.0 | 2.5 % | ✓ |
| Box Elder | Brigham City | 11.7 | 15.0 | 3.1 % | x |
| Iron | Cedar City | 7.5 | 7.5 | - | ✓ |
| Carbon | Price | 6.8 | 6.8 | - | ✓ |
| Grand | Moab | 4.7 | 5.6 | 2.2 % | x |
| Washington | St. George | 5.1 | 5.1 | - | ✓ |

WASHINGTON

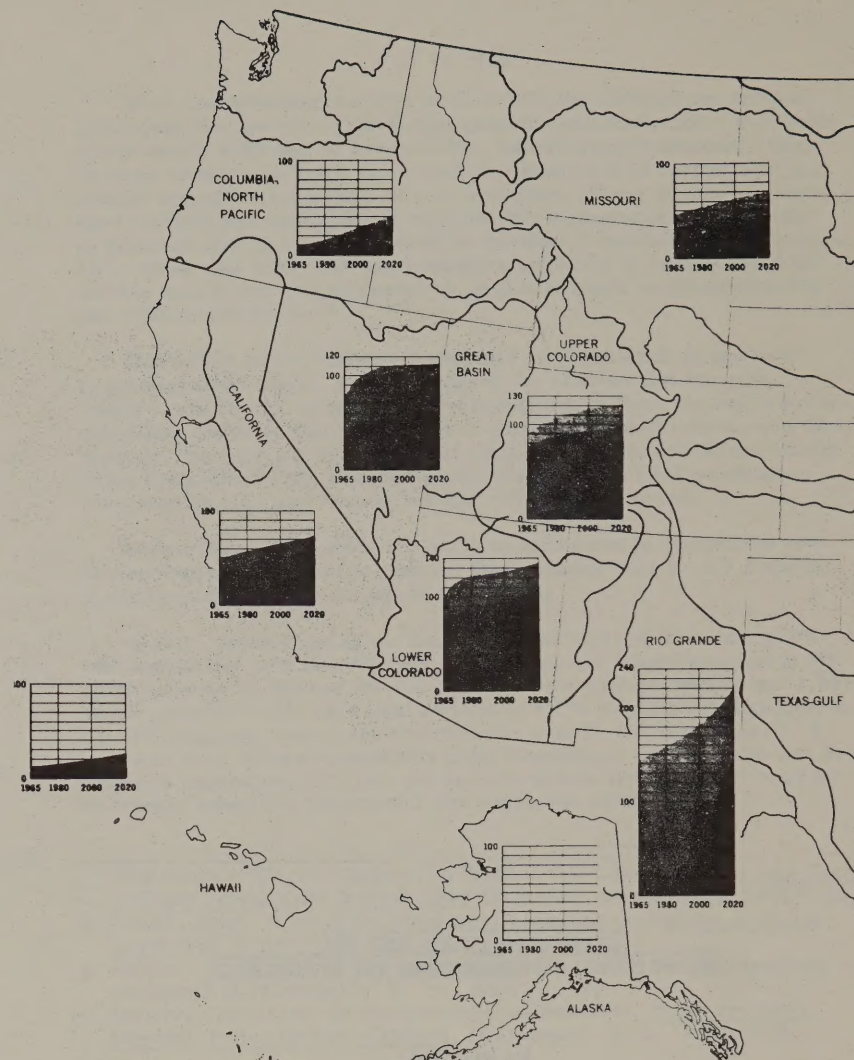
| | | | | | |
|---------|--------------|------|------|-------|---|
| Yakima | Yakima | 43.3 | 45.0 | .4 % | ✓ |
| Yakima | Sunnyside | 6.2 | 7.2 | 1.8 % | ✓ |
| Yakima | Toppenish | 5.7 | 5.9 | .5 % | ✓ |
| Chelan | Wenatchee | 16.7 | 18.5 | 1.2 % | x |
| Clallan | Port Angeles | 12.7 | 15.3 | 2.3 % | ✓ |
| Grant | Ephrata | 6.4 | 6.8 | 4.5 % | ✓ |

WYOMING

| | | | | | |
|------------|--------------|------|------|--------|---|
| Natrona | Casper | 38.9 | 35.5 | -1.0 % | ✓ |
| Sweetwater | Rock Springs | 10.4 | 10.2 | -.2 % | x |
| Carbon | Rawlins | 9.0 | 9.0 | - | x |
| Freemont | Lander | 4.2 | 6.0 | 4.8 % | x |
| Washakie | Worland | 5.8 | 5.8 | - | x |



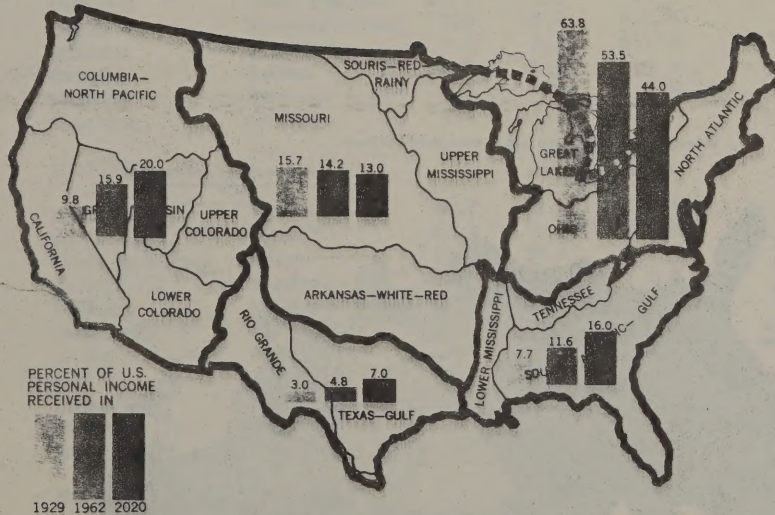
Areas of natural water surplus and natural water deficiency.



Regional indices of projected water withdrawals and consumptive uses, 1965-2020
(estimated average supply equals 100).

CHAPTER VII

CONDITIONS FOR DISPOSITION OF PUBLIC LANDS FOR NEW CITY DEVELOPMENT



Changes in the geographic distribution of economic activity as measured by each area's share of total personal income, 1929, 1962, and 2020.

Introduction

If a national policy and purpose is to be created for planned urban growth that includes new city development, if satisfactory public and/or private entities can be created to accomplish this purpose, and if the public lands are to play a significant locational part in encouraging a national urban area development program, the question then remains: "How should the public lands be made available for new city projects and under what conditions?"

Specific Criteria

Conventional land transactions are based on a number of recurrent factors: the size of the tract of land; the consideration to be paid and the terms of its payment; the location of the land; identification of the transferee; reservation of rights, if any, in the transferor; and, in special cases where a new unit of government is to result from the land transaction, the relationship of that new municipal unit to existing governmental entities. Each of these factors must be examined in the context of public land disposition for new city development to determine the alternative conditions under which such disposition could be made. Since authority for administration, and therefore disposition, of public lands is derived by Congress from the Constitution and delegated to appropriate administrative officers by specific Act of Congress, these alternative conditions are cast in terms of statutory authority and the necessary regulatory framework based upon such authority.

The conditions for making public lands available for new city development are as follows:

Size of Tract

The quantity of land needed for a new urban area is a direct result of at least two considerations; first, total projected population, and, second, population density. In addition, the urban design or master plan will dictate total acreage. Conceivably, a low population, low density community could be designed for a large land parcel. As a practical matter, however, economic considerations, usually based upon land costs, dictate population density ratios sufficient to guarantee attractive rates of return on development investments.

Much consideration has been given to both the minimum and optimum population of a new city. The factors generally considered are a population concentration sufficient to form a viable, self-sustaining economic base, in terms of both labor force and immediate market, and to support what are usually termed the social and cultural amenities. These factors have led most analysts and developers to conclude that a population concentration of approximately 75,000 is desirable to establish a free-standing, economically viable new city. The next population increment is usually 250,000^{1/} and the largest new city suggested by serious students would approximate one million inhabitants.^{2/}

One further factor influencing total new city population is proximity to existing urban areas. It may reasonably be assumed that the more remote a new city is, in terms of other population centers, the more services, activities, and amenities it will have to provide its own residents, and thus, probably, the more inhabitants it must contain. Finally, population density ratios fluctuate with the size of the city: the larger the total population concentration, the less land for residents is usually required.

Summarizing, the primary factors to be considered in determining new city acreage are: (a) total population; (b) population density; (c) proximity to existing urban areas; and (d) the urban plan.

In 1960, average population densities in 160 existing urbanized areas with populations over 100,000 were 4,230 people per square mile and in 109 cities between 50,000 and 100,000 population the average density was 2,940 people per square mile for a total average of 4,090 people per square mile in the 269 urbanized areas in the United States over 50,000 population.^{3/} A review of some 50 new communities under development in 1968 showed an average projected population of 76,340 and an average site size of 15,230 acres for an average population density of 3,200 people per square mile.^{4/}

^{1/} Westinghouse Electric Corporation Systems Operation Division, Four Corners Regional Development Study Program (Baltimore, June 1969), pp. 7-24, 26.

^{2/} Daniel, Mann, Johnson and Mendenhall, Use and Occupancy of Public Lands, Vol. II (1969), p. XII - 19.

^{3/} Pickard, Dimensions of Metropolitanism, Urban Land Institute Research Monograph 14 (Washington, D. C., 1967), p. 83.

^{4/} Advisory Commission on Intergovernmental Relations, Urban and Rural America: Policy for Future Growth, (Washington, D. C., April 1968), p. 78.

Based upon these calculations, a new city of 100,000 people would require approximately 20,000 acres or slightly more than 30 square miles. A new city of 250,000 would require approximately 45,000 acres or slightly more than 70 square miles. A new city of one million population would require approximately 140,000 acres or slightly less than 240 square miles.

Since some open-space or "greenbelt" protection would undoubtedly be desired for any new city developed on public land, substantial additional acreage surrounding the city would also have to be set aside to prevent encroachments and unplanned sprawl. Such a reservation of open space would increase the total acreage required for a new city by a large, but indefinable amount.

Location of Land for New City Development

Chapter IV of this study contains a thorough discussion of all the factors involved in establishing new city location criteria. The discussion which follows concerns the two broad attitudes or theories toward such criteria which usually dominate consideration of public land availability for new urban development.

One theory bases location of a new urban area on traditional locational factors, such as labor costs and availability, access to markets (transportation), proximity to resources and materials, industrial climate, sources of power, and taxes, as well as environmental considerations, such as climate, access to recreation facilities, water availability, and proximity to other urban areas. In brief, this theory, which has largely governed new city development to date, is based upon maximization of existing facilities and conditions, that is, building the city where the largest number of desired conditions can be found.

The second location approach posits a national commitment involving, at most, an overall national urban growth policy and, at least, a willingness on the part of government to coordinate national programs with, and direct national resources toward, planned urban expansion. In other words, Federal and state programs, as well as private research and development initiative,

would be directed toward neutralization of what have previously been considered constraints or absolute barriers to new city development in certain geographical areas.

The range of policy commitments which could be made are as follows:

(1) Transportation

The emergence of regional air terminals away from existing metropolitan areas could be encouraged in such a way that these new centers for transoceanic, as well as short-hop flights, would form the nucleus of new cities on suitable public land sites. A national high-speed ground transportation system ("super trains") could be developed with routes directed through otherwise favorable new city sites.

(2) Water Resources

Existing experimental programs in weather modification, water desalination, waste water recapture and recycling, and trans-basin diversions could be used to make presently arid public land areas habitable.

(3) Mineral Technologies

New technologies in resource development, such as low grade mineral recovery or multiple-mineral development of oil shale deposits, could be used to create entire new industries which would form the economic basis for new cities in public land areas.

(4) Federal Centers

With modern transportation and communications systems, Federal installations such as regional centers, research facilities, and others could be located in hitherto remote areas, thus providing employment and economic focus.

(5) Economic Incentives

An almost limitless variety of economic incentives, operated through the Federal and state tax structures, could be used

in influence industrial location as well as family location. These would include tax credits and rebates, liberalized moving cost write-offs, favorable plant and equipment depreciation schedules, special property tax treatment, and deferred tax payment schedules.

(6) Employment Opportunities

Public and private manpower training projects could be geared toward attraction of the mobil unemployed -- who presently are evacuating depressed economic areas in favor of existing cities -- to new city locations, thus providing a labor force for new industries, slowing the ghetto in-migrations, and training presently unemployable people simultaneously.

(7) Education Complexes

New cities on public lands could become major centers for new universities or institutions of higher learning; universities are, in effect, "arid industries" which provide employment, attract students (and therefore residents and consumers), and can be located almost arbitrarily if they are large enough to be self-sustaining.

(8) New Technologies

Finally, experimental programs in pollution control, new communications systems, education, health, modular housing, municipal government structure, and countless others would find an ideal laboratory in a totally new urban environment and would help establish the new city's unique character.

Increasingly, with technological expansion, the possibility of breaking with the rigid determinism of natural conditions and human accident in city location is being considered. One commentator has stated:

In the matrix of natural and human factors that govern the location and development of towns, many alternatives and substitutes have been provided by technological progress. Raw materials for many manufactured products have been differentiated, sources of power have become

more ubiquitous, and means of transportation more flexible, faster, and cheaper. Labor requirements are lessening and fabrication is less dependent on craftsmanship. Occupants in an industrially advanced society are more service, recreation, and culture oriented than in a pioneering and industrializing society. Towns are thus now less bound to a special place than they were before.^{5/}

To the degree that new city site location is premised upon the presence of the traditionally favorable conditions, the use of public lands will be severely restricted and will include only those areas which contain a substantial number of the following elements: (a) a sufficient water supply for large-scale municipal and industrial use; (b) access to existing transportation arteries; (c) proximity to markets; (d) availability of raw materials; (e) reliable and sufficient sources of power; (f) proximity to an existing urban area; (g) presence of a suitable labor force (in the case of a non-satellite new city); (h) reasonably agreeable climate; (i) proximity to outdoor recreation resources, and (j) a sufficiently large tract of land, requiring only reasonable site preparation, to contain the new city.

On the other hand, if the vast array of national resources, both public and private, can be made available to create new urban areas for the monumental projected population increases, then the number of public land sites available for new city development increases dramatically. Presently arid areas, such as portions of Arizona and Nevada, can be made habitable through advanced water resources technology. Presently remote and isolated areas, such as parts of Montana, Wyoming, or Idaho, can be made accessible through policy decisions locating new regional airports or interstate highway routes. New industries can be created through new mineral extractive techniques; economies based on knowledge, data compilation and analysis, government activities, and other activities requiring little material input and marketing output can be located by simple fiat on public lands in Northern California, Western Colorado, Eastern Oregon, or Northern New Mexico.

^{5/}Harold Jorgensen, "New Towns and Public Lands" (Washington, D. C., U.S. Department of the Interior, Bureau of Land Management, September 17, 1969), unpublished paper, p. 42.

The most difficult step in building a major new city on public lands is making the decision to build it. Once that decision is made, site selection and satisfaction of location criteria will be forthcoming.

Price to be Paid for Public Lands

There are several reasons why public lands may solve many of the problems that have plagued new town development in the United States. The public lands are: (a) available; (b) in large tracts; (c) in sparsely populated areas; (d) under the control of one owner, the United States. Very few private holdings meet these qualifications. Most importantly, however, public lands, unlike private lands, can be made available at less than market value. The United States is not subject to the same economic dictates as a private land owner.

To date, many new city development projects have been marginally economic due to the long-term debt load required for land acquisition and assembly (particularly where price escalation sets in) and establishment of service and utility systems (streets, sewers, etc.).^{6/} Financing costs for incurring and carrying these tremendous loads for long periods before payout begins have jeopardized many existing new town projects and discouraged many more.

Land, public land, at less than market value could make new city development financially viable and at the same time free capital for innovative housing and open space projects within the new city. Recapture of investment would not need to be based upon construction of middle, upper-middle, and upper income housing units. Demand for quicker payout would not force concessions in creative urban planning and design.

Most existing legal authority provides for disposition of public lands for appraised fair market value.^{7/} Appraisal techniques follow private land appraisal standards, that is, consideration of recent sales of similar land in the area, the purpose for which the land is to be used, special values, and so forth. Presuming new legislative authorization for disposition of

of public lands at less than fair market value for new city development, what formula should be used?

One approach would be to fix a standard, probably minimal, price per acre for all public land made available for new city development. This approach has the virtue of simplicity, could be easily administered, and would be consistent with a number of other dispositive public land laws. However, it would not permit the United States to take into consideration special and distinct values in certain land parcels in determining a fair return for the land.

A second approach might be to classify public land areas not valuable for recreation, grazing, mining, or other purposes as urban development sites and make them freely available to new city developers whose plans meet federal standards. This approach avoids valuation problems altogether, but would subject the government to charges of giving away public resources to private entrepreneurs who might realize great profits from the exploitation of these resources. One variation on this approach would be to make the United States a participant in the city building enterprise by means of a publicly chartered, publicly held joint venture between the Federal Government and private development corporation patterned after the Communications Satellite Corporation. Under these circumstances, participation by the United States would be premised upon making the land available.

A third, and perhaps more likely, pricing approach would calculate the land at fair market value and discount that price by the amount the new city developer guaranteed to invest in specified public projects, such as recreation facilities, open space areas, low cost housing, schools, hospitals, libraries, or public transportation facilities. Such discounts would constitute an added incentive to the community developer, particularly where the public land site had a substantial value, to given special attention to the public facilities which must be developed to attract residents in any case.

A fourth pricing alternative would involve classification of appropriate blocks of public land, by the appropriate Federal land agencies, for new urban development, preparation of the site so classified including resolution of all adverse claims to the land and preliminary physical clearing, and offering of the land for competitive plan bidding. This system would be analogous in many respects to presently operating urban renewal programs. Depending on the policies to be served, the land block could be offered for a fixed price to all bidders, with the successful bidder/developer being

^{6/}Advisory Committee on Intergovernmental Relations, Urban and Rural America, pp. 87-89.

^{7/}See, for example; Public Land Sale Act of 1964, 43 USCA secs. 1421-1427; Townsite Act of 1863, 43 USCA secs. 711, 712; Town Sites and Power Development Act, 43 USCA secs. 561-567 (1964).

selected upon the basis of design quality and the excellence of the total urban development concept. The fixed price for the block of land could be determined either by the appraised fair market value of the land as prepared for development, or merely by the cost of preparing the land.

This pricing approach would eliminate complications of public auction, would encourage imaginative urban planning through competition, and would present to potential developers large tracts of land already assembled in blocks and with encumbrances removed. However, this concept requires the Federal government to establish administrative machinery, on the order of a Federal Urban Development Administration, empowered to prepare blocked sites, both legally and physically, and review and approve competitive development plans. Political objections to this approach might be overcome by delegating such authority to the individual states to be exercised by duly created state Urban Development Corporations.

A fifth and final pricing policy might be based upon a somewhat novel scheme of disposition of development rights. Under this scheme, the Federal government would retain title to public lands but would convey development rights to private developers of new cities. These rights would be perpetual, exclusive, absolute, but incorporeal, legal property interests in and to all physical facilities placed on (or under) the land. They would be restricted only by the covenants contained in the instruments of conveyance from the United States. (A discussion of possible restrictions and conditions is set out below.) These instruments of title to development rights would expressly prohibit the United States from any action subsequent to the conveyance of the rights which would jeopardize, encumber, or otherwise endanger the full value of the developer's (and eventually the municipality's) investment.

This conveyancing device is primarily predicated upon the lack of any real legal necessity for fee simple ownership of real property as a precondition of major investment. In purchasing property, all a developer seeks to guarantee is the unconditional and perpetual right to carry out certain activities upon, with, and under the land. If these same guarantees can be insured through other means, such as development rights, there is no reason why title to property must change hands. The primary purpose of public retention of land ownership, aside from the lack of absolute necessity for disposing of it, would be to guarantee performance of development conditions prescribed by the government and to assure perpetual recognition of established social values, such as non-discrimination in housing and open space

reservation. The approach of conveying development rights is admittedly novel and would require considerable explanation to the investment community. However, it might help solve problems created by private exploitation of a public resource such as occurred with 19th century railway land grants.

Restrictions and Reservations on Public Lands Conveyed for New City Development

As a general proposition the United States has reserved only specified property interests, such as mineral rights, rights of way, and certain use restrictions in conveyance of public lands.^{8/} Grants of land under the preemptive public land laws and the homestead acts and desert land laws have been based upon successful fulfillment of statutory and regulatory requirements and have generally not contained substantial restrictions upon use of land once patented.

To the degree, however, that public lands were to be made available for new city development as part of an urban growth policy or program of population distribution, the United States as grantor of public lands might wish to condition the transfer of lands upon the willingness of the grantee to carry out the new city development project in such a way as to accomplish specified social goals.

The following are suggested reservations, conditions, and restrictions which could be contained in a public land patent:

- (1) An absolute reservation of a fixed percent of open space in the new city by the United States. The developer's urban site plan could designate the open areas and they would be retained in perpetuity by the government to guarantee against future encroachments.
- (2) An absolute reservation by the United States of a green-belt or buffer zone around the new city, to prevent unplanned growth from the inside or uncontrolled encroachments from the outside.

^{8/}Recreation and Public Purposes Act, 43USCA secs. 869-869-4 (1964)

- (3) The United States could condition its agreement to transfer public lands on developer's undertaking of a number of socially desired programs, such as:

- (a) Dedication of a balanced portion of the total housing units to low cost housing and innovative housing technology involving modular units, new materials, etc.
- (b) Implementation of manpower training programs for hard-core unemployed and use of this newly trained labor force on new city development projects.
- (c) Commitment to install advanced waste treatment facilities and to implement environmental quality protection projects.
- (d) Construction of civic centers, libraries, and recreation areas for the common use of all new city residents.

- (4) Certain restrictions could be contained in grants of public land to protect the public interest. These restrictions can protect against misuse of the land, low quality construction, disproportionate population density patterns, unplanned development, housing or other discrimination based on race or economic status, and failure to provide adequate public facilities.

Types of Public Land Grantees

Public lands could be granted to a variety of kinds of entities for new city development. A determination of the nature of that development entity, whether public or private or a combination of both, is dependent upon the balance of policies to be served by new city development on public lands and the nature of the system designed to implement those policies.

At present, new city development is exclusively a private endeavor carried out either by land development companies specializing in new community construction or by major corporations becoming involved in new town development for diversification or tax purposes. A number of other systems might

be used ranging all the way up a scale of public involvement to total governmental responsibility or new city construction. In considering each of the possible institutional grantees of public lands, it is necessary to examine the kind of political system, with the variables it represents, in which such grantees would operate to determine the degree of legislative innovation required to implement the system and establish the grantee institution. A table comparing the alternative types of grantees is found on pages 128-130.

First Alternative: Present System

* This approach would continue reliance upon privately owned, operated, and controlled development corporations, with Federal assistance limited to existing loan or mortgage guarantee programs such as Title IV of the 1968 Housing Act. Presuming no further Federal legislation to authorize public land disposition, such lands would be available only under the very restricted conditions authorized under existing statutes, discussed below.

The advantages of this system are that it requires no further Federal policy commitment or legislative action, it makes new city development responsive to the market place, that is, it does not force a program of new city development upon an unwilling industrial community or an unresponsive citizenry, and it leaves policy decisions concerning the size, design, and location of new communities in private hands. The disadvantages are the failure of the existing system to break the financing barriers created in part by escalated costs involved in land acquisition and assembly, the lack of Federal commitment necessary to stimulate private interest and investment in this area, and, most importantly, the continued reliance on present, potentially disastrous, laissez faire urban growth patterns.

Second Alternative: Swedish System

This alternative would combine a strong system of public urban growth planning, direction, and control with private implementation of new urban development projects. Following the Swedish analogy, the public sector, particularly municipalities with high growth potential, would have responsibility for developing long-range local population projections, planning satellite communities, and carrying out preliminary land assembly programs for the new communities. If public lands are to be used, they could either be conveyed to local municipal governments or to the private developer responsible for the new city project.

The role of both the Federal and local governments would be considerably increased under this system. The Federal government would have responsibility for promulgating national urban growth policy directives within which municipalities would prepare local satellite city development plans, including both master plans and site development plans. Both levels of government would exercise strong central control over private development operations to insure their compliance with overall national policy directives and specific local growth plans.

It is doubtful that the control exercised by the Swedish central and local governments over new urban development could be duplicated in this country. However, it does offer a convenient point of reference for consideration of an alternative involving greater public planning of new city projects. The advantages of this alternative are the direction given by the Federal Government and local municipalities to private efforts, the emergence of a national pattern out of present new town development chaos, and the introduction of at least minimal controls upon development of new urban areas in the public interest. The disadvantages are the potential stifling of private initiative, the possibility of each new city adopting a monolithic "sameness," and the failure of this alternative, in the absence of public land dispositions, to solve present financing and investment problems.

Third Alternative: Urban Homestead System

Whereas the previous two alternatives would not preclude public land grants, this alternative would specifically promote such grants to private developers based upon a "new homestead" program. Under such a policy, public lands would be made available at minimal cost to qualified developers who guaranteed to perform basic development requirements. This alternative system presupposes federal legislation authorizing disposition of public lands for new city development. To the degree that development of new urban centers is a practical and meaningful solution of existing and future urban problems, and to the degree that such development is impeded by private land acquisition and assembly costs, then the national interest would be served, at little cost to the public by making public lands available for new city development. Since the purpose to be served would not be revenue realization, the lands should be disposed of at little or no actual cost in exchange for private development concessions discussed below.

It should be emphasized that this proposal would solve one of the most serious problems presently facing innovative new city development, with only minimal Federal commitment. Although this concept has been suggested on numerous occasions during the past decade, and has received some criticism, it is important to consider the lack of any thoroughgoing, detailed, authoritative, or objective study of this proposal by the government or private developers. Such a study, emphasizing the impact of low-cost or free lands on investment schedules and requirements, should be carried out before this alternative is rejected. Additionally, as the discussion of location factors above suggests, public and private decision-making could further overcome existing barriers and make public land development a serious possibility.

This alternative would help solve present problems created by land scarcity and inflated cost, it would demonstrate Federal involvement, and it would permit diversion of investment into innovative construction and public facilities. The disadvantages are that Federal legislation would be required and that private developers might still be reluctant to make major investments in unpopulated areas.

Fourth Alternative: British System

A fourth alternative would be the creation of Federally chartered new town development corporations patterned after the British models. These new entities would be individually authorized to develop a specific new city, with sufficient powers to carry out this responsibility, and would convey ownership of the community to its new municipal governing unit, and cease to exist upon its completion.

A Federally chartered development corporation could take title to public lands and, since its sole responsibility would be the creation of a single new city, it would tend to carry out the development of these lands in the public interest. On the negative side is the absence of any meaningful precedent for legislative authorization of such corporations, uncertainty as to the success of this entity in bringing economic viability to the new city, and its temporary nature.

Like the Swedish system, new town development in Great Britain is the product of local and national policy and planning. British new town

corporations, in addition, have broad development authority to implement that policy including the power to "acquire, hold, manage and dispose of land and other property, to carry out building and other operations, to provide water, electricity, gas, sewerage and other services, to carry out any business or undertaking in or for the purposes of the new town, and generally to do anything necessary or expedient for the purposes of the new town or for purposes incidental thereto."⁹ Application of this system to the United States would involve creation of similar comprehensive development corporations and, if public lands are to be used, disposition of such lands to the new town corporation presumably in conjunction with its creation. Since the corporation is, in effect, self-liquidating upon completion of the new urban development, the land and improvements upon it would be conveyed either to private interests or the appropriate local authority.

Alternative Five: "Comsat" System

A closely related alternative is the creation by Congress of a single Community Development Corporation, patterned after the Communications Satellite Corporation, which would have general authority to develop new cities on public lands.¹⁰ The corporation would be created by Congress as a profit-making entity and would not be an agency of the United States Government. It would be authorized to issue and have outstanding shares of capital stock which would be owned both by private, existing corporations sharing in the development venture and by the American public. In general terms, the corporation would have all the rights and authority of a privately created business entity.

Although precedent does exist for the establishment of this unique type of corporation, it is to be expected that a major political effort would have to be made to secure its Congressional approval. Further, its successful creation and operation would depend on major private development corporations participating. This Community Development Corporation would take title to public lands directly from the United States and would convey

⁹/Lloyd Rodwin, The British New Towns Policy: Problems and Implications (Cambridge, Mass.: Harvard University Press, 1956), p. 42.

¹⁰/See Westinghouse Electric Corporation, Four Corners Regional Development Study Program, pp. 7-7, 7-10, for a detailed description.

title to the improved property to the local governmental entity and private interest as the new city was completed, in the same manner as the British-type new town corporations discussed above.

The Act of Congress creating the Community Development Corporation could also empower the corporation to identify, analyze, plan, and accept title to new city sites on the public lands from the appropriate land administration agencies. By this means, corporation officials and public land administrators would have authority to negotiate the transfer to the corporation of new city sites as needed without special legislation being required to approve each conveyance of a block of public land.

Alternative Six: State Urban Development Corporations

A sixth alternative would be the creation of state development corporations, similar in nature to the New York State Urban Development Corporation,¹¹ which would have authority under state law to accept conveyances of public land and undertake new city development projects within each state either on their own behalf or through agreements with existing private development corporations. This alternative would have the advantage of involving the various states in planned urban expansion and specific new urban area development in underpopulated areas. However, its disadvantages would be that certain state legislatures might fail to authorize such corporations or that state constitutions might prohibit their establishment. Furthermore, there would be no guarantee that those states have the most desirable public land sites would establish an urban development corporation, particularly with broad planning, zoning, condemnation, and development authority.

If established, such a state corporation could submit proposals to the appropriate Federal public land agencies for specific site acquisition. There is little question that Congress could authorize public land dispositions to state-chartered urban development corporations. Further, the objections raised against the New York Urban Development Corporation, namely that its comprehensive powers are a threat to local community home rule, have little applicability to a state agency whose responsibility is primarily the development of new urban centers.

¹¹/ New York State, New York State Urban Development Corporation Act, Mck. Unconsol. Law sec. 6251 et. seq. L. 1968, c. 174 sec. 1, eff. April 10, 1968.

Alternative Seven: Netherlands System

One alternative, involving substantial Federal involvement, would be the creation of a strongly centralized urban development and land use control program such as exists in the Netherlands. Under this alternative, the Federal Government would directly control all new urban development and, presumably, review all plans for new towns and new cities. This approach would have the advantage of providing Federal impetus, direction, and presumably financial commitment, to a national urban strategy, but it would have the disadvantages of restricting individual development initiative and requiring substantial additional Federal administrative machinery.

This approach is somewhat similar to the Swedish system in that new urban area development results from national policy and planning with governmental control, through review and approval procedures, over implementation of those plans. As compared to the Swedish system, however, the alternative suggested here involves even greater Federal participation in promulgating and carrying out a national urban growth strategy and in controlling the development of new cities as part of that strategy.

This approach would undoubtedly require Federal administrative machinery combining existing urban development and housing agencies with public land agencies to produce a national plan for developing new cities on public lands. This plan, although requiring substantial commitments of private construction investment and capability, would be under the constant supervision of the Federal government according to detailed guidelines produced by the government for new city development.

Alternative Eight: Federal System

Finally, the Federal Government itself could undertake development of new cities, either on an experimental city or large-scale basis. The precedent for this is to be found in the creation of "government towns" at Atomic Energy Commission and Bureau of Reclamation project sites. The advantages of this approach would be the elimination of profit considerations from new city development and avoidance of potentially complicated public land transfer transactions. The disadvantages would be the political unlikelihood of Congressional adoption of such a program,

TABLE VII-1

A COMPARISON OF ALTERNATIVE TYPES OF PUBLIC LAND GRANTEES

| <u>Alternatives</u> | <u>Type of Institution</u> | <u>Authorizing Entity</u> | <u>Ownership</u> |
|--------------------------------------|--|--|---|
| Present System | Privately Owned, Operated, and Controlled Corporations | Ordinary State Chartered Private Corporations | Private (Share-holders) |
| Swedish System | System of public planning, direction and control - with private development and implementation | Municipalities or national government | Public land ownership Public-private Development Ownership |
| Urban Homestead System | Private Development Entities | Ordinary State Chartered, Private Corporations | Private (Share-holders) |
| British System | Federally-Chartered Development Corporations | Federal Government | Federal (with private stock acquisition feasible) |
| "Comsat" System | Federally Authorized Public-Private Corporation | Federal Government | Private-With Federal Regulation |
| State Development Corporation System | State Agency With Comprehensive Urban Development Authority | State | None (Agency of State Government) |
| Netherlands System | Federal Urban Development Administration | Federal Government | None (Agency of Federal Government) |
| Federal System | Federal Urban Development | Congress | None (Agency of Federal Government) |

| <u>Alternatives</u> | <u>Land Acquisition</u> | <u>Financing</u> | <u>Role of Private Sector</u> | <u>natives</u> | <u>Role of Public Sector</u> | <u>Type of Community</u> | <u>National Policy</u> |
|--------------------------------------|---|---|--|-----------------------|--|---|---|
| Present System | Conventional Private Acquisition of public lands Under existing Authority | Conventional Private financing (limited Federal loan Guarantees | Pre- eminent | ent em | Strictly Limited | Suburban; Retirement recreational (Little innovation) | Undefined |
| Swedish System | Acquired by Municipality or national Government | Governmental Cooperation in Private Development financing | Actual Development Construction | ish | Stronger central Control through Planning and use Restrictions | Satellites | Urban growth Policy directives forming National Pattern |
| Urban Homestead System | Public lands Conveyed to Private Developers | Conventional private financing Enhanced by low-cost lands | Strong in Development | in estead em | Degrees of control Exercised through Conditions attached to land disposition | Satellite or free-standing new cities on public lands in the West | Indirect population distribution and Urban growth Control |
| British System | Public lands Conveyed to Development Corporations | Public debt financing retired by sale of land and improvements by development corporation | Secondary - Through Development Sub-contracts | sh em | Primary--congressional authorization and administrative regulation of development Corporations | Satellite or free-standing new cities | Population Distribution and urban Decongestion |
| "Comsat" System | Public lands Conveyed to Development Corporation | Public stock offering (private investment) and possible Federal loans | Management, Investment and operation | nsat" em | Supervision, Regulation, and Policy making | Satellite or free-standing new cities | Urban growth Direction Under single Agency |
| State Development Corporation System | Condemnation of Private lands, or Acquisition of Public lands | Bond issues; taxation; standard State Financing Devices | Development Contracts with State urban Development Corporation | s elopment oration em | Statutory authority over all urban development including new Communities | Primarily satellite Communities or New towns in-town | State by State new Community Development |
| Netherlands System | Public lands conveyed to private Developers under Strict federal control | Congressional appropriations for Planning and regulation and some development Financing | Limited to Carrying out Federal Development Directives | erlands em | Strong central Urban development and land use program: substantial Project review Authority | Satellite Communities Primarily | Centralized Control of Urban Development Nationwide |
| Federal System | Public lands; with Condemnation Authority | Congressional appropriations for Development | Secondary - Through Sub-contracts | rai em | Primary - actual Construction of new communities | Satellite and free-standing new cities | Comprehensive control over new urban Development |

and the competition such Federal projects might present to existing and potential private development capabilities.

Legislation could be framed authorizing disposition of public lands to any of the suggested development entities or adopting any of the suggested policy alternatives. In the absence of a strong government interest in new city development as an aspect of a national urban growth policy, however, political practicalities suggest reliance on the existing system of private community development, perhaps with the assistance of public land grants, as outlined in the "urban homestead" alternative, as at least the course to be followed in the near future. Federal commitment leading to national new city policy directives, and perhaps eventually to Federally chartered new town corporations is the most innovative alternative possible in the long run.

Lake Havasu City: A case study

Lake Havasu City is a new town presently being developed on the Colorado River in Mohave County, Arizona. The town is located near Havasu Lake, a reservoir on the Colorado River formed by Parker Dam. The total site for the town includes approximately 13,000 acres and the projected population is 50,000 - 60,000.

As of 1963, the State of Arizona had outstanding some 300,000 acres of indemnity lieu selection rights to public lands awarded to it under its enabling act specifically for the support of common schools. The developer of Lake Havasu City, the McCullough Corporation, after examination of the proposed new town site, negotiated with Arizona officials for the purchase of lands at the site which were then in Federal ownership, but which were subject to the State's lieu selection rights.

As a result of those negotiations, the State of Arizona selected Federally owned acreage in the area of the proposed new town site, the land passed into State ownership pursuant to the public land laws related to state lieu selections, and the State offered it at public auction at Kingman, Arizona, on August 2, 1963. The developer bid successfully on 12,990.75 acres at an average price of slightly over \$73 per acre and acquired the land in fee ownership. Thereafter, planning and development activities began.

Although Lake Havasu City is one of the very few new towns to occupy formerly public land -- it may be the only large new community started in recent years totally on such land -- it does not represent a typical example of how public lands might be made available for new city development. Most public land states do not have the quantity of unexercised lieu selection acreage rights that Arizona has, and the most desirable new city sites may not be subject to those rights. The Lake Havasu City experience is an example, however, of the tremendous pricing discrepancy between the purchase of public lands, even at public auction, and the cost of assembling privately-owned lands with the attendant escalation problems. To prove this point it is only necessary to compare the average price of under \$75 per acre for the Lake Havasu land, with the average price of \$2,000 - \$3,000 per acre (with some projects involving \$5,000 per acre land costs) on several other current new town projects built on private lands.^{12/} This disparity can mean the difference between financial feasibility and success, and marginal profitability or failure. As pointed out throughout this report, the financing and carrying costs on large-scale private land acquisitions through the long development period are a key factor in depressing many new city development projects. Low-cost, or even free, public lands could eliminate this problem.

^{12/} Daniel, Mann, Johnson and Mendenhall, Use and Occupancy of Public Lands, p. XII - 9; Advisory Committee on Intergovernmental Relations, Urban and Rural America, p. 87.

Relation to the New City on Public Lands to Existing Local Governments

Normal land transactions between private parties do not involve clarification of the role of grantee or trustee in relation to local units of government. Furthermore, within the scope of this study, clarification of that role is not strictly a "condition" for transfer of public lands to a private development corporation. However, the creation of a new city on formerly public lands raises a number of questions concerning the interrelation between the new municipal government and existing local governments.^{13/}

First, the number and kind of such local governmental units may be limited. This study being directed toward relatively self-sustaining satellite communities and wholly free-standing, independent new cities on public lands, it may be presumed that intergovernmental relationships with existing municipalities are not at issue. Therefore, the basic unit of government with which the new city must deal is the government of the particular county in which the public land site is located. In some cases regional commissions, involving multicounty districts, will be in existence, but these are generally limited to planning and economic development functions.

In those cases where a county development plan exists, the new city developer will have to begin negotiations with local officials shortly after site selection and land transfer takes place in order to coordinate the urban development plan with existing county plans. Specific discussions must involve relative responsibility for school systems, hospitals, roads, water treatment facilities, and other public services and facilities. In some instances, expansion or replacement of existing facilities, such as airports, will have to be arranged. In many cases, none of these facilities can be provided by the county government.

A second stage of negotiations will be required at the time the new city actually becomes a municipality under its own local unit of government. Arrangements must be made to qualify under state law as a recognized

^{13/} Advisory Committee on Intergovernmental Relations, Urban and Rural Rural America, pp. 89-93.

municipality, relationship to the existing county government will have to be clarified, and responsibilities for public services allocated. Local taxing authority under state law will also have to be determined.

In short, although detailed coordination with and approval by state and county government may not be a strict condition for disposal of public lands to private new city developers, the Federal Government may wish to include some machinery for encouraging workable intergovernmental relationships in any land disposal authority, statutory or regulatory, which it may establish.

The Role of Regional Development Organizations

Consideration should be given to the role existing regional agencies could play in promoting new city development in the public land states. Two such organizations, both created in 1966, have regional concern for economic development in certain western states.

The Federation of Rocky Mountain States, Inc., was created as a forum for solution of problems common to the six Rocky Mountain states of Colorado, Idaho, Montana, New Mexico, Utah, and Wyoming, and to encourage planned growth and development of the region. As a regional organization, the Federation is unique in that it is not the product of Federal legislation and its membership includes private interests in the region, as well as representatives of state governments.

Through a series of councils and committees, the Federation establishes regional policies and programs in a broad variety of areas, including public land use matters and new-community development projects. Although the Federation operates through a board of directors, president, and full-time staff, its functions are largely advisory, communicative, and hortatory. However, the Federation could provide two valuable services in promoting new city development in the region. First, it could perform preliminary economic analysis, location studies, site selection, and area planning functions preparatory to actual land conveyancing or physical development of new cities. Second, it could promote the general concept of new city development on public lands to the responsible agencies of Federal government as a major economic stimulant to the region, and recommend specific new city projects to private interests with development capabilities. At the present time, no public or private institution fulfills this intermediary role, coordinating regional interests, Federal agencies, state governments, and the necessary resources. An organization such as the Federation of Rocky Mountain States could accomplish this.

The Four Corners Regional Commission was designated on December 19, 1966, pursuant to Title V of the Public Works and Economic Development Act of 1965. The Commission's primary responsibility is economic development in a region consisting of 92 counties, 9 of which are in Arizona, 40 in Colorado, 22 in New Mexico, and 21 in Utah. It is interesting to note that three states in the Four Corners Region participate in the Federation of Rocky Mountain States. Unlike the Federation, the Four Corners Commission is a creation of Congress and includes Federal representation, in the form of a Federal co-chairman, as well as state representation. The Commission attempts to identify the social and economic causes of the lagging regional economy and to provide remedial programs with Federal assistance.

Consideration has been given by the Commission to the possibility of encouraging new city development as a solution to a number of the problems in the region. In 1969, a study was conducted for the Four Corners Commission by Westinghouse Electric Corporation. Although the study was directed toward an overall evaluation of the region's economy, particular attention was given to the possibilities of developing a major new urban area somewhere near the center of the region -- perhaps at the Four Corners site itself. Taking note of the specific exclusion of the large urban areas of Denver, Salt Lake City, and Phoenix from the region, the Westinghouse study finds the two primary barriers to economic development to be the absence of a metropolitan population concentration which would provide both a market for commercial and industrial products and a labor force for attracting new industry into the region. The study concluded that a major new city of 250,000 to 500,000 population near the center of the region would accomplish the following objectives:

- (a) It would give a strong economic impetus to the Region.
- (b) It would develop the Region in a planned manner, not as a result of engulfing urban sprawl. The approach would be predicated upon retaining existing cultural and esthetic values.
- (c) It would benefit the special ethnic groups in the Region, providing employment and housing options. If the city were built on Indian land, it could provide tremendous economic benefit to the Tribes in terms of lease or sale payment.
- (d) It would present an unspoiled area for demonstrating that a completely new city, economically independent of pre-existing urban centers, could be brought into orderly existence.

- (e) It would provide a testing ground for innovations which could be translated to existing cities to ameliorate current urban problems.^{14/}

The study contained a detailed analysis of: natural resources in the area, particularly water; social considerations and human resources, particularly the Indian tribes; existing economic strengths and weaknesses; the laws relating to public land dispositions, including tribal or reservation lands; and, with regard to the proposed new city, its physical design and layout, its governmental structure, a variety of possible developmental entities, including a "Comsat" type public-private corporation, and transportation, recreation, and financial considerations.

If this major new urban development were located at the Four Corners site, it would occupy lands belonging to two Indian tribes -- the Navajos and the Ute Mountain Utes. The study proposed exchange of stock in the development corporation with the Tribes for their lands to permit equity participation in the development venture and incremental appreciation in the value of their land as the city was completed, rather than receipt of one-time profit which would not reflect the appreciated value resulting from massive development investments.

Very preliminary economic estimates in the Westinghouse study placed the total cost of developing a new city of 250,000 population at approximately one billion dollars. Although this total figure was not dissected, there is at least a tacit assumption that a large number of Federal grant and loan programs could be utilized to supplement private capital. These would include loans and grants for land acquisition and mortgage insurance, planning, construction of public facilities and transportation systems, health and education programs, housing, social action programs, and economic development, among others.

The significance of the Westinghouse/Four Corners study is its proposal of a new city as a solution of many regional problems, rather than merely as a

^{14/}Westinghouse Electric Corporation, Four Corners Regional Development Study Program, p. 2-2.

possible device to implement a national urban growth strategy or experiment in technological innovation. In this respect, the new city assumes the role of economic stimulant as well as population focal point. The Westinghouse study concludes that: "The only single project that might effectively address itself to the majority of the Region's needs would be the development of a new town somewhere near the center of the Region."^{15/}

Factors to Consider in Authorization of Public Land
Dispositions for New City Development

Certain statutory authority does exist for making public land available for community development. This consists largely of two types of legislation: (1) that which was created in the 19th century to provide for recognition of de facto townsites on public lands, setting aside of naturally located townsites, and establishment of "seats of justice," and (2) more modern legislation which authorized classification and disposition of public lands for a variety of public purposes including urban expansion and development.

There follows a brief summary of both types of legislation designed to disclose its present adequacy or inadequacy for new city purposes and a discussion of factors to consider in the creation of new legislation to accomplish those purposes. The latter discussion is presented in terms of two fundamental approaches which may be taken regarding creation of authority to dispose of public lands for new city sites. A decision between those two approaches will depend largely upon the role the Federal Government is deemed to play, both as sovereign landowner and as final authority for national urban growth policy.

A. Summary of existing legal authority. The following are the principal statutes dealing with townsite dispositions:

1. The Townsite Act of 1863^{16/} vests in the President the authority to select public land sites which are prospective population centers and to reserve them from disposition under the public land laws. No statutory limit is placed on the total acreage of such townsites. Individual lots

^{15/} Ibid., p. 7-2.

^{16/} 43 USCA secs. 711, 712 (1964).

are surveyed, appraised, and sold at public auction to the highest bidder at not less than the appraised value.

2. The Town Sites and Power Development Act^{17/} authorizes the Secretary of the Interior to withdraw, survey, and subdivide lands in connection with projects developed under the 1902 Reclamation Act. Although the Act establishes a 160 acre limitation for each project site, this may be exceeded if the Secretary deems it to be in the public interest. Individual surveyed lots are sold at not less than appraised value to the highest bidder at public auction.

3. The Recreation and Public Purposes Act^{18/} permits the Secretary to dispose of public lands to governmental entities and private nonprofit entities for recreation and other public purposes. Acreage disposal limitations of 640 acres per year for each public purpose program are contained in the Act. Lands may be sold to the private nonprofit corporations and associations at appraised prices. Reversionary interests are retained by the United States for unapproved conveyances of the land or unapproved changes in the use to which the land is dedicated.

4. The Public Lands Sale Act^{19/} is a temporary statute vesting authority in the Secretary to sell public lands which are classified for disposal in accordance with a determination that the lands are required for orderly community growth or are chiefly valuable for residential, commercial, industrial, or other public uses. Although the Act contains an acreage limitation of 5,120 acres for each transaction, there is no limit on the number of tracts which may be sold to any purchaser. Private entities are required to pay not less than appraised fair market value at competitive

^{17/} 43 USCA secs. 561-567 (1964)

^{18/} 43 USCA secs. 868-869-4 (1964)

^{19/} 43 USCA secs. 1421-1727 (1964)

bidding. Zoning regulations must have been enacted by the appropriate authority prior to sale.

5. The Classification and Multiple Use Act ²⁰/temporarily empowers the Secretary to classify all lands sold under the Public Lands Sale Act according to criteria developed for use in determining whether lands should be disposed of under the Sale Act or retained in Federal ownership for multiple use management.

In brief, existing statutes are not designed to make large tracts of land available for major urban development projects. Acreage restrictions and limitations, public auction requirements, fair market value pricing standards, and inadequate patent conditions make these laws overly inflexible and do not provide the kinds of conditions designed to make public lands attractive to large private investors and to protect the public interest at the same time.

B. Limited Federal Regulation. One approach to public land disposition for new cities would authorize transfer of fee simple title to the lands to private development companies. Restrictions and reservations in the patents would be minimal and would not exceed those required by existing law. The Federal Government would not participate in development projects either as grantor of the lands or as administrator of Federal programs affecting urban areas. Its responsibilities would essentially terminate upon conveyance of the public lands. The private developer of the land would become its outright owner and would have unlimited discretion to develop the kind of community desired, within the bounds of local and state restrictions.

In terms of specific Congressional action, the following would be required:

1. Authorization of the land administration agencies to dispose of public lands for new city development. If existing legislation, such as the Public Land Sales Act or the Townsite Act, is merely amended, rather than new legislation being passed, then this general authority presently exists and its terms, conditions and methods of exercise need revising.

2. Acreage limitations in existing legislation are inadequate for major new city projects. Administrative officials should be given discretion to alienate tracts of public land up to a maximum amount in accordance with acreage requirements contained in project development plans submitted to them for review. In major projects requiring more than the maximum acreage authorized by statute, the administration could be empowered to convey specific tracts of land incrementally as particular parts of the development project are completed. For example, an initial allocation of 15,000 acres could be made for the core development of a new city with a projected population of 250,000 to 500,000; as the community progressed in its development, at agreed upon stages additional land could be granted in 5,000 to 10,000 acre blocks.

3. The Secretaries of Interior and Agriculture should be given the authority to review all public lands for the purpose of locating and classifying parcels suitable for urban development. Lands so classified would be made available for selection by private developers. In addition, the Secretaries would have authority to consider disposition of unclassified sites selected by private developers which do not have a higher or better use than urban development.

4. If the Federal Government wishes to foster planned urban growth through new city development, public land could be made available at a nominal, statutorily determined fixed per acre fee -- similar in nature to the homestead laws. Alternatively, standard statutory procedures, involving appraisal of land and sale at fair market value, could be used. In either case, provision could be made for deferred, incremental, or periodic payments.

5. Under an approach which would limit Federal involvement in new city development to land disposition, no substantial restrictions would be placed upon the land conveyance. Conditions affecting physical planning and facilities, social programs and goals, and national purposes would be precluded by the fee simple transfer of public lands.

²⁰/ 43 USCA secs. 1411-1418 (1964)

6. Certain regulatory provisions should be adopted pursuant to the dispositive statute which specify qualifications for receipt of public lands. Such qualifications might include: (a) financial resources; (b) experience in new city development; (c) completeness of the urban development plan; (d) economic viability of the proposed new city.

C. Federal Involvement in New City Development on Public Lands. Presuming a commitment by the Federal Government to new city development on public lands, at least to the extent of providing policy direction to and making resources available for, an urban growth strategy, the following factors might be considered in drafting new legislation:

1. Creation of a cabinet-level Urban Development Council, consisting of the Secretaries of Housing and Urban Development, Interior, Transportation, Agricultural, and Commerce, which would be responsible for formulation of national urban growth policy directives, selection of public land new town sites, review of private development plans and proposals and selections of satisfactory developers for those sites, and promulgation of regulations for the proper development of new cities on public lands.

2. Enactment of legislation as outlined above, including: authorization of the Secretaries of Interior and Agriculture to classify public lands, including forest lands, as suitable for urban development and to dispose of such land for new city developments which have been reviewed and approved; specification of maximum amounts of/and available for individual urban development projects (tied to proposed population); establishment of qualifications for receipt of public lands; provisions for incremental land disposition for major urban developments; determination of acreage price, either at a fixed price per acre or through a fair market value system containing discounts for public facility investments; and restrictions and reservations in the United States, such as reservation of mineral rights of which a large percentage would be dedicated to recreation of other public purposes in the new city.

3. The regulations promulgated by the Urban Development Council should contain provisions for: Minimum and maximum population density ratios; maximum city population and acreage figures; guaranteed percentages of open space and recreation areas; data required for an approved new city master plan; ratios of housing for all income groups in each residential area; environmental quality guarantees; design standards and controls; development scheduling, including deadlines for completion of major construction phases; periodic reviews of development progress; and statements of financial commitments and arrangements.

Through a fairly elaborate process of consolidation, revision, and amendment, existing statutes such as the Townsite Act of 1863, the Recreation and Public Purposes Act, and the Public Lands Sale Act could be rewritten to provide for either of the two major alternatives suggested above. However, this substantial amendment procedure would involve at least as much effort as preparation and passage of a modern New City Public Land Act whether the Federal role is considered large or small.

Therefore, an initial determination should be made concerning Federal policy. If little governmental involvement in new city development is desired, statutory authority should be prepared for public land disposition which contains only those restrictions and conditions necessary to protect the public interest. If public land development is seen as part of a comprehensive Federal urban growth program, a New City Public Land Act should be proposed which is part of a larger legislative package and which contains detailed provisions for private cooperation in carrying out the long-range objectives of controlled urban growth and planned national population distribution.

Remarks by Orme Lewis, Deputy Assistant Secretary
of the Interior for Public Land Management Before
Lambda Alpha, November 12, in Washington, D. C.

A WESTERNER LOOKS AT URBAN LAND STRATEGY

Mr. Chairman, Gentlemen:

I am delighted to be here to talk about an urban land strategy--as seen through the eyes of a Westerner. Having lived most of my life in Arizona undoubtedly puts a Western cast on my thinking, but the short time I have been in Washington has modified that outlook.

My situation is somewhat analogous to what has happened to the Department of the Interior. A few years back, the Department was known to many people as the "Department of the West." The Department's interests were mostly limited to management of vast acreages of land, administration of mining, grazing and timber harvest on the public domain. And the great bulk of our Indian programs were--and still are--in the West.

The situation began to change in the early postwar years, however, when the economy converted to peacetime production, our society reached a degree of affluence never before known. Along with more personal wealth and accelerated industrial growth, came two elements that were to thrust Interior into national roles--the demand for recreation and the need for greater consideration of the environment.

Millions of Americans suddenly had the wealth and mobility to get out of town and look for wider vistas of recreation. The demand led to creation of the Bureau of Outdoor Recreation and the Land and Water Conservation Fund. One of the chief functions of this new program is to assist states and, through them, local communities, to meet their outdoor recreation needs. Thus, the former Department of the West, finds itself directly engaged in recreational programs in every state of the Nation, and in the territories, as well.

The other element that gave the Department a national mission was growing degradation of the environment. Our unprecedented growth caused severe ecological damage in some places. The principal infliction was the pollution of our rivers and streams. The Interior Department has given the task of grappling with the tremendous task of water clean-up. This assignment placed us very much into each of the states.

These are our primary credentials as a National Department, but there are others, such as our commercial and sport fisheries programs, saline water conversion, mine safety, Geological Survey and National Parks.

Along with broadened responsibilities of the Department to deal with national problems has come increased involvement in helping to meet urban needs. Our water pollution control activities, of course, directly affect the cities. And a growing emphasis is being made by this Administration to direct more of our outdoor recreation resources to urban areas where the need for recreation is the greatest.

Our credentials for urban involvement are well grounded, and the Department of the West has become a Department of Natural Resources. It has become increasingly responsible for programs intended to halt the erosion of environmental quality in all parts of the Nation.

The growth that will come and should come contains a very real threat to our environment. A projected urban population growth of nearly 3 million people annually, along with needed goods and services, can do enormous detriment to our water, land and air, and--in the process--to wild animals and fisheries.

We must find a more satisfactory relationship between land and people in our national growth. Because there is a continuing concentration of people to urban areas, the essential requirement is for an urban land strategy. The Interior Department, which manages public domain equal to one-fifth the area of the United States, is beginning to awaken to a greater potential role in urban affairs. In essence, we have the ingredient that is hardest to come by in an urban growth strategy--vast acreages that can be made available at reasonable cost. With proper planning, the public domain of the West can serve the whole Nation's

interest. The West can provide expansion room not only for existing urban areas but for the creation of new towns--even major new cities.

Today we are confronted with urban deterioration, a mounting exodus of people from rural to urban areas--and even more discouraging, a lack of basic programs to affect major changes over the long run in accord with a national growth strategy.

The changes needed are enormous. In only 30 years we expect to have another 100 million people. The social and physical needs, including environmental and esthetic needs, will require our best planning efforts. Failure to do this planning could be catastrophic. Fortunately, we have begun to equip ourselves with some of the tools needed to do the job.

A Model Cities Program was enacted in 1967 to reshape the total environment of designated areas within our cities, and a New Communities Act was adopted the following year to help develop completely new cities. Both are essential beginnings, but both are insufficient.

In very recent years a handful of people have begun looking to the Western vastness. Perhaps, they thought, the public lands could be utilized and developed to cope with the explosive urbanization of America. This thinking has been slow to materialize or advance because of traditional concepts.

Basically, cities have grown close to sources of raw materials which could be converted to processed or manufactured goods. The employment thus provided created the nucleus of the community. The location of the city also was such that its commodities could reach the market place competitively. The modern community also demands large amounts of water and electrical power. In contrast to these requirements, much of the West has been viewed as remote from many required raw materials, isolated from mass markets and hamstrung by shortages of water and power.

A number of changes have occurred that will allow the West to play a substantial role in our urban land strategy. A revolution in transportation now makes it possible to move raw materials great distances to plants and to transport

the finished goods to foreign markets. We have the technology to move water and power virtually to any point we desire. Our developing knowledge in areas of weather modification and desalination will supplement the capability for mass movement of water and power.

With these essentials--land, transportation, water and power, and in many cases, raw materials--we can build viable new communities in the West. Skilled labor will go where the jobs are, and if the area of new opportunity has better weather and a more desirable social climate, people will go readily.

There is certain to be a large scale continuance of urbanization in America and a growth strategy is imperative. Such a strategy has been called for by the Advisory Commission on Intergovernmental Relations, the National League of Cities and the National Association of Counties. The American Institute of Planners has called for a policy of population dispersal and an ambitious program to build new towns.

The general need for a new model for the Nation's growth evolves from the congestion, pollution and deterioration in cities that are too large and ill-developed. About 130 million Americans now live in big cities or in their suburbs--50 million more than only 20 years ago. About 70 percent of the Nation's population already is crowded into about 1 percent of the land. To intensify this, overcrowding obviously will worsen the social and environmental problems of our urban areas.

The alternative to overburdening existing urban areas is to build new towns and cities. This is being done in a number of places in the United States and in Europe, but it is a highly complex undertaking that requires great amounts of capital.

The New Communities Act of 1968 was a constructive step in the right direction to aid in financing, but no more than \$50 million may be guaranteed for a single project, and only \$250 million is available for this purpose nationally. That means only six new towns, if each were to use the maximum Federal aid. Our population growth, however, demands the equivalent of new city of 250,000 population each month.

The Public Land Law Review Commission, now studying the Nation's land laws, has heard proposals for use of public lands for creation of new towns and cities. The Commission will make its recommendations next year, and it is expected to deal with this issue.

An Assistant Secretary of HUD, testifying before the Commission, suggested that the public lands be considered for future urban growth. He saw the public domain as the source of large homogeneous tracts of land needed to meet the social, economic, public health and esthetic needs for urban populations.

One of the main drawbacks to large scale city-building is not the lack of capital but the lack of readily available sites of sufficient acreage at reasonable prices. The availability of such land would be a tremendous incentive for builders and home owners to relocate in a totally new urban environment.

Making public lands available for towns and cities is not a new thing. Between 1850 and 1890 more than 400 towns were established on public lands in the 11 Western States. The old laws for the most part are in need of overhaul to meet modern needs, but the precedent for aiding the establishment of new cities on public domain is well established.

I have asked the Department's Solicitor to explore how present laws can be changed to create more flexible use of public land so it can serve the needs of urban growth. One approach could be to make land available to a corporate entity, public or private, for comprehensive planning and integrated development, subject to terms and conditions which advance desired national objectives.

Such transfers of land would be contingent upon provision of recreational areas, open space, greenbelt land, and space for public facilities. Conceivably, there could be developed techniques to evaluate the direct social and economic benefits of such urban developments. The value of tangible benefits then could be taken into account in determining the cost of the land to the developer. It would be reasonable to give additional consideration in land costs if the new community development entity was of a non-profit nature. Finally, the disposal or transfer of land would proceed only as the developer showed adequate progress in

planning, development, organization and administration. Protection of the whole public interest, not only in consideration received for the land but also for proper development, would be the over-riding criterion.

We are just beginning to look seriously at the potential that the West offers as the place for much of our future national growth. I am optimistic about what we can do. With proper planning, 300 million Americans -- thirty years from now -- can live in less congestion and contamination than 200 million do today.

* * *

SURVEY

Probable Future Demands on the Public
Land for Expansion of Existing Communities
or Creation of New Cities

Prepared by the Idaho Commission
on Federal Land Laws

1. Letter from Director Pearl to
Mr. John E. Martin, Executive
Director of the Idaho Commission
on Federal Land Laws.
2. Survey prepared Idaho Commission
on Federal Land Laws.

Public Land Law Review Commission

1730 K STREET, N.W.
WASHINGTON, D. C. 20006

December 1, 1969

Mr. John E. Martin
Executive Director
Idaho Commission on Federal
Land Laws
Capitol Building
Boise, Idaho

Dear John:

Remembering your request that we keep in mind ways in which you can contribute to our work, I have a suggestion for an area in which you may be able to mutually benefit by: the possible utilization of public lands for the expansion of existing communities or as sites for the creation of new towns.

Much has been said about this subject, including some testimony from witnesses who appeared before the Commission but there are very few concrete suggestions or facts. We required our contractor to examine the subject in the Study of Public Land Laws and Policies relating to Use and Occupancy. We have also been trying to come to grips with the subject in connection with the preparation of data to comply with a statutory requirement that the Commission "compile data necessary to understand and determine the various demands on the public lands which now exist and which are likely to exist within the foreseeable future". In asking your assistance in this matter, we are sending under separate cover on a loan basis the 4-volume report prepared for us on use and occupancy by Daniel, Mann, Johnson and Mendenhall and a 1-volume study of probable future demands on the public lands prepared for us by

Robert S. Manthy and Lee M. James, together with a copy of our letter transmitting the latter report to the Chairman.

The possible utilization of public lands for the expansion of existing communities or as sites for the creation of new towns is discussed in various parts of the use and occupancy study (Volume II, pp XI-1 to XI-47 and XII-1 to XII-34 and Volume III pp XV-41 to XV-60) and the last paragraph of the demand study. The letter transmitting the demand study indicates to the Chairman that we will seek to develop additional information concerning the demand for such urban uses.

In addition to seeking consultants' help, I have written to the representatives of the Governors of the western public land states for their views on this matter. It occurs to me that your Commission might want to consider having a consultant study of your own accomplished to examine the possible utilization of public lands in Idaho for the expansion of existing communities or as sites for the creation of new towns. Such study could be mutually beneficial.

In the event that you become interested in this subject, it may be helpful to you to know that we are using the following topics as the basic framework for our further study with the understanding that you need not concern yourself with topic number 1.

1. The status of plans and recommendations for the development of a Federal policy to support or encourage the development of new urban areas, from which the Commission could develop an assumption as to the rationale of such Federal policy, particularly in the Western public land states.

2. Without regard to a specific Federal policy to encourage the development of new urban areas, what are the locational forces, if any, that would tend to bring about such developments in the western public land regions?

3. The factors that influence whether urban expansion will most likely occur as additions to existing urban areas or as wholly new urban areas in public land states; how those factors are now developing.

4. Factors that influence the requirements for the development of viable new urban areas in regions where they do not now exist, with particular emphasis on the characteristics of possible viable new urban areas in the public land regions.

5. The role public lands might play in the development of new urban areas in public land regions including the various conditions, such as area, phasing of land availability or price, under which public lands might be made available if they are to contribute to the development of new urban areas and the alternative probable impacts through use of different conditions.

6. Factors to be taken into consideration by the Commission in formulating recommendations for statutory or regulatory criteria providing for the use of public lands in the development of new urban areas in public land regions. In any event, while we want viewpoints, we do not want recommendations for future policy as these will be made by the Commission.

We believe that this is a very important area for the Commission to consider carefully and look forward to receiving such views as you may be able to provide within our time frame. The subject of demands on the public lands will be discussed at the meeting of the Advisory Council with Governors' Representatives participating starting January 13, 1970. Accordingly, to

be useful at that meeting, we should have your views in advance; however, should you decide to obtain consultant help, we would be pleased to receive your report by any reasonable schedule.

Sincerely,

Milton A. Pearl
Director

cc: Honorable Len B. Jordan

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IDAHO COMMISSION ON FEDERAL LAND LAWS

CAPITOL BUILDING
BOISE

January 27, 1970

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Mr. Milton Pearl, Director
Public Land Law Review Commission
1730 K Street, N.W.
Washington, D.C. 20006

Dear Milton:

Attached is the original and five copies of the Survey Summary that the Idaho Commission on Federal Land Laws conducted through local government representatives of counties, cities and villages throughout the State of Idaho regarding "Probable Future Demands on the Public Lands for Expansion of Existing Communities or Creation of New Cities."

Knowing of the great amount of material that your staff must go through and the limited time available to you before this report must be put in final form, we have attempted to keep our Survey Summary just that, a brief objective analysis of the survey we conducted on this subject at your request. Should you desire additional information or the actual survey papers, we could make them available. I do believe, however, that the representatives of Idaho cities, Idaho counties, and the representatives of the related committees in the State Legislature together with representatives of our Commission have done a precise objective job in compiling the attached Survey Summary.

I will be looking forward to seeing you next month in Washington when I shall again attend the Public Land Law Review Commission with Idaho's Governor's Representative, Gordon Trombley.

With best personal regards, I am

Sincerely yours,

John E. Martin
John E. Martin
Executive Director

JM/lt
Enclosures

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IDAHO COMMISSION ON FEDERAL LAND LAWS

CAPITOL BUILDING
BOISE

REPRESENTATIVE WALTER E. LITTLE,
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MR. ROBERT DOOLITTLE

SURVEY

Probable Future Demands on the Public Lands For Expansion of Existing Communities or Creation of New Cities

Prepared by
Idaho Commission on Federal Land Laws

MR. A. B. CURTIS,
EX OFFICIO MEMBER
MR. LLOYD HAIGHT,
EX OFFICIO MEMBER
MR. GORDON TROMBLEY,
EX OFFICIO MEMBER
THE HONORABLE JACK MURPHY
EX OFFICIO MEMBER

In conjunction with a study being conducted for the Public Land Law Review Commission on the Probable Future Demands on the Public Lands For Expansion of Existing Communities or Creation of New Cities, the Idaho Commission on Federal Land Laws conducted a survey of all cities, villages and counties in Idaho on their experiences in obtaining public lands for their needs and their feelings on future demands both for expansion of their own communities or creation of new cities.

Responses were received from 35 of the 44 counties and 69 of the 135 cities and villages. Requests for comments were addressed to chairman of the boards of county commissioners and mayors of cities and villages. In addition to these requests, personal contact was made with the executive vice president of the Idaho Association of Cities and the Chairman of the Public Lands Committee of the Idaho Association of County Commissioners. Further information was obtained from members of the state legislative committees dealing with municipalities and local governments.

One general comment made by all contacted was that in sparsely populated states such as Idaho that creation of new cities was opposed on three general counts. First, it was felt that bequests of public land for the establishment of new communities would tend to compound the proliferation of local governments which is taking an unrealistic amount of tax revenue to service. Second, the creation of new communities would largely be of the "bedroom type," which would still require maintenance of all local services of existing communities but without the tax support of persons who would work in existing communities

but whose domicile would be outside existing city limits in the new community. And, third, there was a general feeling that the public lands needed for future expansion of existing communities might not be available if nearby "bedroom" cities were developed.

Many of those responding also mentioned that they felt that community growth should be keyed to growth of business and industry in an area thus further strengthening their opposition to the creation of new cities. Several of those responding also cited that fact that creation of new cities on the public lands might result in federal regulation of city development and property not akin to existing community growth patterns now found in Idaho communities. There was also some fear of residents of the new cities being imported enmass from areas of large population under possible future federal resettlement programs.

Eighty-three of the responses expressed the view that use of public lands for expansion of existing communities was essential in a state such as Idaho. Of those responding sixty-nine cited specific requests for public lands which had been made in the past decade by their own counties or communities. All but seven of those responding indicated that they could foresee needs for public lands by the local governing bodies they represent in the next decade at present rates of growth as indicated in the past decade. Growth rates higher than that of the past decade would tend to compound demands for Public lands for expansion of existing communities.

Among the demands for public lands which Idaho counties, cities and villages have made are land for sanitary land fill operations (31), sewage treatment plants (5), cemeteries (11), schools (15), parks and playgrounds (21), public buildings (3) airports, (12) streets and highways, (9)

Generally favorable comment was made by the officials responding to the survey regarding their dealings with federal agencies administering the federal lands needed for expansion of existing communities. However, there were some complaints that ambiguities in existing laws made actual acquisition difficult in some cases in spite of the desire of the administering agency to cooperate with the cities. There was also criticism of the lack

of uniformity between agencies in disposal procedures as well as a lack of a central information on public lands available in or near existing cities.

Nearly all of those responding to the survey indicated that where possible public lands near an existing community should be left as a buffer zone to afford needed open space necessary for quality environment. Public lands recreation areas near communities were also cited as areas which should be retained under federal management for recreation purposes or if sold to communities that it be dedicated to recreation use. Types of areas included in the survey responses as recreation areas were ski areas, parks, prime hunting and fishing areas, campgrounds and scenic areas.

In the responses from some of the larger communities in Idaho, there were expressed future potential needs for public lands for new housing developments, water supply and by-pass highway construction.

Following are some of the views presented by those responding to the survey which are representative of the general tone of the responses:

"For my part, I think that where a city can demonstrate the need for public acres and when the use will be to the general benefit of the people of the city and/or community, then those acres should be made available. When I say available, I think that so long as it is public then the cost to the city should be free so long as they are used for the purpose that they were taken for. Naturally, should a city use them for some other purpose, there should be a reversion clause."

"The City has utilized public land for gravel pits and reclaimed the same areas with a sanitary land fill. Our needs for the future include a large open space for an area park and municipal golf course."

"Policies and procedures to facilitate procurement of public land for municipal needs is long overdue."

"No doubt that in time we should have some federal land set aside for homes, but first let the private land owners take care of this until a time comes they can not."

"The State of Idaho, in cooperation with the Federal Government, should first make an inventory of what federal lands are available. Secondly, a registry should be established to designate and record these lands. Cities and counties should have first priority for use of these lands if and when they are available."

"At present when canal and railroad lands are abandoned they revert to the federal government. Strip parks could be made from some of these lands and used to good advantage by either the state or the cities."

"There are several areas within the county which lend themselves to recreational development. As our population increases eventually these areas should be developed on a multiple use basis. It is strongly felt that these lands should remain within governmental control for maximum benefit of all people in place of being sold to private citizens for the exclusive use of a few."

The dependency of local economic growth on public lands is also to be noted in some of the responses. There is general agreement that community expansion must be tied to economic growth. Therefore, some of the comments on use of the public lands for local industry are cited.

"The beef industry is a primary source of income for many residents of this area. A major portion of summer forage for these animals is provided by public grazing lands. It is imperative to the future economy of the county that these lands remain available for grazing and that steps be taken to provide for maximum forage development under the multi-purpose use program."

"There are mineral resources on some of the federally-owned land in the county. Greater development of these resources should be under the direction of a federal control agency to insure good conservation practices, with a minimum of road development."

"It is the feeling of the Board that the local units of government should have more power to determine the purpose and use of federally owned land within the county. Boards of county and city governments should have a voice in all decisions concerning public lands within their jurisdictional boundaries."

"Industrial sites could best be chosen and administered by setting up a state land development corporation. In this way the best possible uses could be found for the lands. They could be picked up by this agency as they became available."

"While I am opposed to the 'locking up' of the Idaho primitive and wilderness areas, it is apparent that the organized pressure groups from the heavily populated states such as the Sierra Club from the State of California will influence the Congress to curtail, if not actually prevent, any timber and mining ventures in the area. I feel that if this is the desire of the people from other states and if the Congress sees fit to preserve such areas in their present condition thereby preventing economic expansion in the county with its resultant effect upon the city, we are entitled to some financial relief from sources other than additional taxes upon local people and property. This would probably have to come in the form of a payment or subsidy from the federal government to the state to be distributed in turn to the counties on the basis of acreage of public lands situated in each county."

"The mining industry if allowed to, would again emerge as an economic boon to this area. However, with the ever tightening of land laws such as the act of Congress of 1955 controlling surface rights, and the policy of existing Federal Agencies to challenge all new mineral discoveries, it appears this source of

venue will not materialize.

"The influx of summer visitors which we encourage and welcome by the maintenance of free public parks and camping grounds by the city, have not made up for the economic losses sustained by the closure of mining activities and neither has the transient population provided a tax base upon which to pay local bills."

"Ours is one of the five counties which make up the land area of most of the public lands wilderness and primitive areas in Idaho. In each of these counties, the federal government owns in excess of 75 percent of the land area of the individual counties. Our county is sparsely populated and nearly all of the industry is tied to public land use. This includes some lumbering, grazing and very little mineral production. With the large land areas in our county set aside for recreation in the wilderness and primitive area, we must look to this for new economic development.

"We fully realize that recreational development is a new burgeoning industry. We, therefore, feel that every possible means for development of recreation service business should be passed into private hands through either lease or sale of the public lands upon which such recreation service business operate or through lease of all concessions to local private concerns who would pay a tax to the county government to provide financial support for necessary law enforcement and road maintenance expenses."

Another side facet of public land law administration came into discussion in the response to our request for information on use of public lands for future community expansion. This concerns federally-owned buildings in existing communities. A portion of the response letter from the mayor of Idaho village illustrates the point. In the village, the Forest Service owns five dwellings, four of which are corner lots, an office and warehouse complex and two separate vacant building lots. The

The county assessor advises that the property if in private ownership would have an assessed valuation of \$20,000.

"Property owners in the village pay the same tax levy on our valuation as county residents outside the village limits, plus 30 mills to maintain city functions, other than water and sewer. In other words, the taxpayers of the village furnish the federal government facilities with oiled streets, including snow removal and their maintenance, street lighting and police and fire protection with no compensation of any sort. The federal government charges their employees rent, and this rent formula is weighted by the facilities that are provided partially by the village.

"The village receives no compensation from the county, in fact the county charges the city taxes through the county organization.

"The problem is not unique to our village, but is common to many western communities where the federal government maintains offices and personnel."

"Summing up, my suggestion is that a percentage of the public land receipts be diverted into a fund to reimburse cities in lieu of taxes on all federally-owned property within a municipality."

There were some complaints concerning existing federal facilities in existing communities and some other complaints concerning the need for both more specific and greater federal contribution to the property tax base of existing communities in Idaho which are surrounded by vast areas of public lands. Generally, however, the responses indicated the feeling that these public lands can be a future boon to the growth of Idaho communities and Idaho industry. At the same time, these public lands leave ample land for recreation and esthetic values so important to Idaho's growing recreation and tourist industry as well as to the all important liveability factor which is resulting in increasing interest in Idaho for both business and industry expansion.

And to the more specific nature of the subject matter of this survey the following

graph from the letter response of a member of the Idaho State Senate Committee on Government and Taxation perhaps sums up the general feeling in Idaho.

"The concept of federal lands for new townsites has not been a problem for Idaho. But the time is coming when new planned cities will be built from scratch. There is no more room in the east. It is therefore conceivable the planners will look to the west and why not Idaho."

The End

Public Land Law Review Commission

1730 K STREET, N.W.
WASHINGTON, D. C. 20006

December 2, 1969

Views of Governors' Representatives of
Western Public Land States Concerning
Utilization of Lands for the Expansion
of Existing Communities or as Sites for
the Creation of New Towns

1. Letter from Director Pearl to Mr.
Robert L. Hartig, Representative
of the Governor of Alaska. (Iden-
tical letter sent to Governors'
Representatives of all western
public land states).
2. Responses from Governors'
Representatives.

Mr. Robert L. Hartig
Assistant Attorney General
State of Alaska
360 K Street
Anchorage, Alaska

Dear Bob:

We suggest that you and the other Western public land states Governors' Representatives give particular attention to one aspect of the program with which we are currently concerned: The possible future demand for the use of public lands for the expansion of existing communities or as sites for the creation of new towns.

The above subject is discussed in different portions of the report on the Study of Public Land Laws and Policies relating to Use and Occupancy prepared for us by Daniel, Mann, Johnson, and Mendenhall (Volume II, pp IX-1 to XI-47 and XII-1 to XII-34 and Volume III pp XV-41 to XV-60. The last paragraph of the Study of Probable Future Demands on the Public Lands, which was prepared by Robert S. Manthy and Lee M. James, indicates a potential impact from urban use but does not attempt to assess it. As pointed out in our letter transmitting the report to the Chairman, insufficient information and data are available to permit any meaningful conclusions or evaluation of demand.

We further pointed out in the letter to the Chairman that we are pursuing the gathering of further information relative to the demand for public lands for the expansion of existing communities or as sites for the creation of new towns. We are seeking the assistance of consultants. In order to assure that all



MOUNTAIN FUEL SUPPLY COMPANY

160 EAST FIRST SOUTH • P. O. BOX 11368 • SALT LAKE CITY, UTAH 84111 • PHONE 328 8315

JOHN CRAWFORD, JR.
GENERAL COUNSEL

GLEN M. HATCH
ASSISTANT GENERAL COUNSEL

RALPH M. KIRSCH
C. R. HOLLAND
RICHARD M. MOLLINET
COUNSEL

December 26, 1969

viewpoints are given consideration, it is requested that you advise us of your views concerning the possible utilization of lands in your state for the expansion of existing communities or as sites for the creation of new towns. Any views that you may have relative to potential use of public lands generally for these purposes, or in any other specific states, will also be welcome.

In order to be considered in connection with our January meetings, it is requested that your response be submitted so as to reach us no later than December 29.

Sincerely,

Milton A. Pearl
Director

Mr. Milton A. Pearl, Director
Public Land Law Review Commission
1730 K Street, N.W.
Washington, D. C. 20006

Dear Mr. Pearl:

Please find enclosed a copy of letter from Mr. Ken C. Olson, State Planning Coordinator in Utah, concerning the question of the use of public lands for new towns or expansion of existing towns in the State of Utah.

I think his letter is very well conceived and I have nothing further to add to it.

Sincerely,

GMH:ct
Enclosure



STATE OF UTAH
OFFICE OF THE GOVERNOR
SALT LAKE CITY

GALVIN L. RAMPTON
GOVERNOR

December 23, 1969

Mr. Glen M. Hatch
Mountain Fuel Supply Company
180 East First South
Salt Lake City, Utah

Dear Glen:

You have asked for my comments on Milton Pearl's letter of December 3 concerning the use of public lands for new towns or for the expansion of existing towns within our state. There are several observations that can be made in this regard, and I am not sure that they are of equal importance, but the issues that appear relevant are as follows:

1. The probable utilization of federally administered lands for new community development within Utah will relate closely to natural resource development since it is quite clear that there are presently no underlying national economic policies or strategies which would encourage the creation of new communities within Utah without some specific external economic base related thereto. For example, it appears apparent that if the Kaiparowits project finally becomes reality a townsite will be necessary and it will have to be selected from among lands administered by the Bureau of Land Management. The location of the economic resource in this case is coal and its relationship to the waters of Lake Powell are the primary criteria in determining a need for public lands.

It could similarly be argued that projects around, or near the Great Salt Lake, related to the extraction of minerals, may result in the need for some public land for very small communities or industrial sites. However, because of the proximity of the lake to the metropolitan centers of Utah it appears

Glen M. Hatch
December 24, 1969
Page 2

unlikely that substantial quantities of land will be necessary for this purpose.

2. If a careful examination is made of most of the communities now existing within Utah, it will be readily found that most of them have city boundaries encompassing well over three times as much land as is now being utilized. The critical problem thus becomes one not of finding additional land but rather developing the land within the boundaries of the communities without having to support an extensive network of utilities, roads, etc., which are not adequately related to taxable improvements which carry the costs.
3. There have been some studies made, notably by the Advisory Commission on Governmental Relations, of a range of new policies which could be initiated by the federal government that might stimulate the growth of new communities in states which have a large amount of federally administered land. These policies include a conscious decision to decentralize manufacturing endeavors through the use of selectively awarded defense contracts or accelerated depreciation arrangements for the establishment of manufacturing establishments in carefully selected new community sites. In the absence of such conscious policy decisions it appears unlikely that there will be a sufficiently viable economic support basis for such new towns. It can be easily seen from examining some of the new communities in the east such as Columbia, Reston, etc.; that a critical problem is one of providing an economic base.

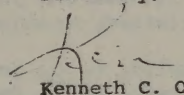
Discussions with the Bureau of Land Management in Utah have led me to the conclusion that there is relatively little public land in close proximity to our rapidly expanding metropolitan areas that will be terribly helpful in such expansion. Additionally, even in Salt Lake County, the critical problem has been urban sprawl rather than the need for additional land. The long term implications of the need for public lands in metropolitan Utah is still too hazy to be adequately perceived.

4. As you may be aware, the Four Corners Regional Commission funded a study by the Westinghouse Corporation which specifically concerned itself with potential for new towns in the relatively unpopulated four corners area. Their conclusions, while extremely optimistic, are also terribly unrealistic since they fail to account for the fact that most cities and communities apparently have a reason for being. In Great Britain, decisions were made many years ago to consciously redistribute population. Thus, extensive control of industry by the British public sector made it possible to make planned decisions to relocate major manufacturing or resource development operations. Unless or until such decisions are made in this country, we cannot seriously expect growth of new towns.

For your own information, Glen, I am enclosing a copy of the ACIR report on moving toward a balanced population policy which you may find of interest.

I hope this information is helpful for your needs.

Sincerely,


Kenneth C. Olson
State Planning Coordinator

KCO:b

Enclosure 1

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH

KEITH H. MILLER, Governor

360 K STREET, SUITE 105
ANCHORAGE 99501

December 27, 1969

Honorable Milton S. Pearl, Director
Public Land Law Review Commission
1730 K Street N. W.
Washington D. C. 20006

Dear Milt:

I am writing in reference to your request for comments concerning the possible future demand for the use of Public lands for the expansion of existing communities or as sites for the creation of new towns.

The need for the acquisition of federal lands for community development and/or expansion has been a significant problem in Alaska since statehood. The Statehood Act provided the facility for a selection of 400,000 acres from the U. S. Forest Service and a like amount from unappropriated public domain.

The acquisition of land by selection under the grant from public domain has not been a problem and this entitlement has been utilized and will continue to be used when deemed necessary for the purposes specified.

The acquisition of land from the Forest Service, however, has been tedious and unrewarding. Since statehood, the State has acquired working title to approximately 11,000 acres. The necessity for the selection from the Forest Service for the purposes enumerated is extremely important in the Southeast portion of the State in view of the fact that over 90% of the lands are within the Forest Service or other federal withdrawal.

In the Interior Alaska, the problem has been less severe although a real problem does exist in the Anchorage area, wherein the immediate area of existing development, some 70,000 acres is withdrawn for military purposes. In order that the Anchorage area may develop in an orderly fashion, it becomes apparent that a goodly portion of this military withdrawal will ultimately be needed. In addition, these lands contain the only significant source of gravel which is so badly needed in the Anchorage area for road construction and other public uses.

These military lands also contain the only logical area to accomodate an airstrip which must ultimately be designed to replace Merrill Field which is now located in the center of the city and adjacent to heavily populated areas.

It would appear, therefore, that our problems lie mainly with the acquisition of lands from the Forest Service in the Southeast and the military reservation in the Anchorage area.

Very truly,

RLH
Robert L. Hartig
Governors Representative
Public Land Law Review Commission

RLH/mo



OFFICE OF THE GOVERNOR

STATE HOUSE

PHOENIX, ARIZONA 85007

December 29, 1969

IN REPLY
REFER TO:

FLOYD N. SMITH
ARIZONA REPRESENTATIVE
PUBLIC LAND LAW REVIEW COMMISSION

Honorable Wayne N. Aspinall, Chairman
Public Land Law Review Commission
1730 K Street, N.W.
Washington, D.C. 20006

Dear Congressman Aspinall:

In reviewing the material referred to in the Director's letter of December 2, 1969 on Community Planning, I have become quite concerned regarding the somewhat heavy-handed approach proposed by the contractors.

On Page XII-31, the report asks: "...can we force a family to move to a specific location?" Insofar as Arizona is concerned, this type of thinking is not constructive nor does it reflect the growing trend toward individual and lay group involvement in the local, state, and national decision making processes. With specific reference to the Public Land Law Review Commission, if we embrace this sentiment we are admitting failure in all other aspects of resource administration and management.

Arizona would propose a constructive line of thinking in the disposal of those federal lands which may be recommended for disposal. These proposals are not new; we have commented on them in previous meetings, but in the face of the completely foreign approach of limiting free choice of family location, we believe that they bear repetition and emphasis at this time.

We believe that the federal government should deal with the respective state land departments or similar state-level agencies to affect the disposal of any lands so classified. This type of disposal should be directly and completely into the administrative processes of the state. In the instance of either new communities or expanding communities, there is no evidence that the federal government can perform more effectively or

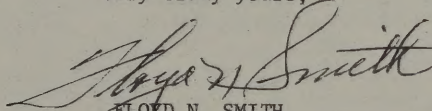
Honorable Wayne Aspinall
December 29, 1969
Page two

efficiently than state government. In the testimony received, this Commission has yet to discover that the federal administering agencies have a clearer vision or broader appreciation of the local needs which a new or growing community should meet.

In addition, these communities will be under state jurisdiction with regard to utility rates, public safety, taxation, and public health. Most recent legislation has provided for the state to take the initiative in many of these fields before the federal government becomes involved. We see no reason to deviate in this highly sensitive area which could result in directing the citizenry in where they may live.

Arizona does affirmatively believe that federal lands can be made available for the purpose of new and expanding communities. However, we believe that federal action should be limited to the direct transfer to state government under broad guidelines. Further, those guidelines should be commensurate with the management of adjacent private, state, or public lands, but we see no need for such guidelines to be binding upon state government in the detailed sense of proposed land development.

Very truly yours,



FLOYD N. SMITH
Governor's Representative
State of Arizona

ORMAN B. LIVERMORE, JR.
SECRETARY

RONALD REAGAN
GOVERNOR OF
CALIFORNIA



Department of Conservation
Department of Fish and Game
Department of Harbors and Watercraft
Department of Parks and Recreation
Department of Water Resources

THE RESOURCES AGENCY OF CALIFORNIA
SACRAMENTO, CALIFORNIA

OFFICE OF THE SECRETARY
RESOURCES BUILDING
1415 NINTH STREET
95814

Air Resources Board
Colorado River Board
State Lands Commission
Office of Nuclear Energy
State Reclamation Board
Regional Water Quality Control
Boards
State Water Resources Control
Board

Mr. Milton A. Pearl, Director
Public Land Law Review Commission
1730 "K" Street, N.W.
Washington, D. C. 20006

Dear Milt:

Your letter of December 2, 1969, requests our views concerning the use of public lands for the expansion of existing communities or as sites for the creation of new towns.

You also pointed out that insufficient data are available to permit any meaningful conclusions or evaluation of this demand. Your decision to seek further assistance from consultants appears sound. Within the time frame of your request, we were unable to get into the specifics of this subject. Of course, we will gladly review and comment on the findings of these consultants. They should feel free to contact us during the course of their study.

I will, at this time, offer some very broad views for their guidance.

1. The provision of space for communities and cities for our citizenry should receive top priority for allocation, in concert with local and state development plans.
2. Existing laws affecting the use of public lands for communities and towns should be critically reviewed for adequacy in light of continuing urbanization. Consistency of law and policy, and the ability of the federal government to promptly respond to local requests in a timely manner deserve special attention.

Mr. Milton A. Pearl
Page 2

ELMO J. DERICCO, Chairman
NORMAN S. HALL, Vice Chairman, Secretary

Address Reply to
Nye Building, Room 216
Carson City, Nevada 89701
Telephone 882-7482

PAUL LAKALT
Governor



COMMITTEE MEMBERS
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PETER E. MABLE—Livestock
CARL SOGEBLOM—Railroads
ROBERT F. THOMAS—Agriculture

STATE OF NEVADA

State Committee on Federal Land Laws

CARSON CITY, NEVADA 89701

January 9, 1970

3. Public land laws, in regard to withheld mineral rights of lands used for community and city development, should allow for the local governing body to decide whether extraction of minerals is allowed.
4. Federal laws, policies, and procedures should be sufficiently flexible to respond to the varying needs, conditions, and problems facing local governments.
5. Comprehensive planning at the local level can be improved by clarification and simplification of policy and procedures at the federal level.
6. The scope and acreage limitations of the Recreation and Public Purposes Act should be broadened.

Sincerely yours,

W. B. Linn
Secretary for Resources

Mr. Milton A. Pearl, Director
Public Land Law Review Commission
1730 K Street, N.W.
Washington, D. C. 20006

Re: Your Dec. 3, 1969 letter regarding:
The possible future demand for the
use of public lands for the expansion
of existing communities or as sites
for the creation of new towns.

Dear Milt:

Our state committee is not at this time in a position to undertake research to supply the data requested in your letter. However, I will endeavor to summarize some of our thinking concerning the possible utilization of public lands in Nevada for the expansion of existing communities or as sites for the creation of new towns.

Within our knowledge new towns have been created in recent years due to such factors as second home recreation sites, remote locations for construction of dams, as a "company" town for mining purposes, or as retirement communities. Each of these new towns was started due to a resource--such as recreational environment, river development, mining, or mild climate. Other than the existing large cities in Nevada, practically all the existing small communities can relate their existence to agriculture or mining. With modernization of agricultural practices and mining, fewer employees are required per unit of production. The small communities are located near rail or highway transportation routes and have some type of community services, such as water and sewage systems.

To revitalize and sustain these communities, the state is successfully encouraging light industry to develop in these areas in order to diversify the local economic base. In recent years tourism has helped and promises to expand. Both of these factors will require additional land needs.

Mr. Milton A. Pearl, Director

January 9, 1970

We are aware of some interest expressed by industry to expand some of these communities but acquisition of federal land is a problem. They can acquire land by public auction but this puts them in the untenable position of being out-bid by any individual. Another procedure available is via land exchange. This also presents problems to the proposed industry because of the difficulty of acquiring private lands acceptable to BLM for exchange purposes. Some equitable method must be found to move land from federal to private ownership in a state that is 87% federally owned.

One solution would be through a land grant procedure directly to the state. Then the state could use bidding or appraised value negotiation sale procedures with time contracts. This machinery is already established.

Comprehensive planning is needed to determine future demand spelled out in specific statistical data. However, I believe a look at the cost of land in Nevada clearly reflects the demand.

Recently BLM auctioned a five (5) acre parcel about three-fourths mile from Winnemucca, Nevada, for about \$6500. This parcel was raw, undeveloped land with no sewer, no water and no power. Two years previously an adjacent five (5) acre parcel sold for about \$1200. It appears to us that the federal government is the largest land speculator and reaps the greatest dollar profit by selling land. The county in which these parcels are located is 83% federally owned. It is truly ironic that the price of land in a state which is 87% federally owned is as high as in some of the areas of the eastern states.

I am enclosing a letter from Don J. Saylor, Director, Clark County Regional Planning Council, Las Vegas, which expresses his feelings in regard to an exceptionally rapid growth area.

Very truly yours

Elmo

ELMO J. DERICCO
Chairman

EJD:em
encl.

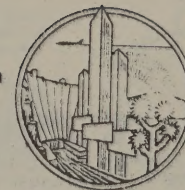
FOR ORAN K. GRAGSON

Commissioners
James Corey
Wesley G. Howery
Alexander Coblentz, M.D.
Hank Thornley

Attorney
Earl P. Gripenotrog

Manager
A. R. Trelease

CITY OF



LAS VEGAS

Planning Department
December 12, 1969

RECEIVED
DEPT. OF CONG. AND
NAT. RES.

Mr. Elmo J. DeRicco, Director
Department of Conservation & Natural Resources
State of Nevada
Carson City, Nevada 89701

Dear Mr. DeRicco:

This is in reply to your memo concerning the use of Federal Lands for expansion of existing communities or sites for new towns. Within the immediate environs of the Las Vegas Valley area, the primary emphasis would be on utilization of Federal Land for expansion of existing communities. We anticipate the complete urbanization of the Valley within the next 10 to 30 years. If this occurs, it would mean that the Urban Development pattern would have to bypass or jump over the many Federal Land holdings in the Valley, creating a very chaotic and undesirable pattern. Consequently, I think it is very important that the Federal Land in the Valley be made available for urbanization and I most emphatically do not mean through the process created a few years ago by the sale of Federal Land for small tract disposition. It would be far better to retain the Federal Land undeveloped rather than produce any more of the fragmentation pattern created by small tract disposition. Assuming the disposition could be made on a large tract basis wherein the local entity would have control over the proposed development area and pattern, I feel that it is not only desirable, but necessary that the land be made available either directly to the Cities for resale or directly to the redevelopers. Outside of the Las Vegas Valley, I think the utilization of Federal Land for new communities would be a beneficial practice. As the urbanization of the United States continues to speed up, it becomes more and more apparent that the expansion of existing large Urban areas is not desirable and that the ultimate solution would seem to be the creation of new Urban areas. I believe this will be especially true in the Southwest part of the United States and that we will receive a much greater impact from the continued population increase and continued urbanization pattern. As long as adequate reservation of Federal Land is made for public purposes, and also multi-purpose uses and are retained for public recreation purposes, I would take the position that it would be beneficial to make a substantial amount of the Federal Land available for Urban Development - new communities outside the Vegas Valley, expansion of existing communities within the Valley.

Sincerely yours,

Don J. Saylor
Don J. Saylor, AIP
Director

Clark County Regional Planning Council

DJS:kt



STATE OF WASHINGTON

Department of
Natural Resources

COMMISSIONER
BERT COLE

DON LEE FRASER
SUPERVISOR

DRAFT

BOX 168
OLYMPIA, WASHINGTON
98501

January 15, 1970



Milton A. Pearl, Director
Public Land Law Review Commission
1730 K Street, N.W.
Washington, D.C. 20006



Dear Milt:

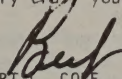
With regard to your letter of December 3, 1969, concerning possible use of federal lands for expansion of existing communities or establishment of new towns, I referred this to our State Office of Program Planning for their comment.



Attached is a copy of comments received.

The last two paragraphs on page 3 summarize our view on the use of federal lands. In brief, we believe in the principle of highest and best use of each individual tract.

Very truly yours,


BERT L. COLE
Commissioner of Public Lands
Governor's Representative to P.L.L.R.C.

BLC:MB:fs



First it would be useful to context the "possible future demands for the use of public lands for the expansion of existing communities or as sites for the creation of new towns." The "Report of The President's Committee on Urban Housing" develops the following information:

1. In 1960, the number of urbanized areas containing 100,000 or more persons totaled 160 and contained 91 millions of people, which constituted 51% of the total population. A forecast for the year 2000 indicates 223 urbanized places with 220 millions of people, or 71% of total population. Hence, most of the residential and associated demands for land will fall within these urbanized areas.
2. Much of this growth in urbanized areas has been suburban, that is, a smaller percent of the population resides in central cities.

This fringe area growth is characterized by additions to land area to metropolitan areas of faster rate than the growth of population within these areas. Hence, densities of population in these urbanized areas have declined.

3. Currently, approximately one-half million acres of land are added to the metropolitan areas of the United States each year. This annual increment is equal to 1/40 of 1 percent of total land area of the U.S., although an expanded Federal housing program would increase this rate of growth. By the year 2000, these urban areas will constitute approximately 2% of the land area of the U.S.
4. Those regions which have a large number of urbanized areas, for example, the Atlantic and California coasts, densities will increase. It is in these regions that land shortages, reflected in substantial increases in land prices, will be most pronounced.

From the above, we may conclude severe land shortage as a problem, and the impact of Federal lands toward a solution is likely to occur in the urban areas--particularly its fringes or rings on the Atlantic and California coasts--and the magnitude of the problem will be reflected in distortions of demand and supply relationships, which will result in higher prices for residential land in these areas. The pertinent data then is: supply of Federal land available within, contiguous to, or located a relatively short commuting distance from, those urban areas of greatest density, and the effect of the availability of this land on the relative price of land in the private sector for residential use.

Site costs for new F.H.A. homes in 1967 averaged 13% of total value for houses in the \$8,000 - \$10,000 range, and 27% of total value for homes in the \$30,000 and over range. For low-rise multi-family dwellings, site costs were from 5% to 10% of total project costs. These site costs, rising per housing unit over time, consist of the cost of raw land, the cost of land development, and the amount of land consumption per unit. Availability of Federal lands for residential purposes will only affect the cost of raw land, which currently accounts for approximately one-half of total site costs.

The potential of Federal lands to diminish the rate of increase in the cost of the raw land component for the urban area expansion or land for new urban communities, depends upon total supply of Federal lands made available within an area for this purpose, and the relative cost of this land. Availability of Federal land suitable for residential use will differ significantly among the regions of the U.S. and its urbanized areas.

The relative cost of this land within an area will depend on private market prices for land to be used for residential purposes; alternative uses for this land for other public or private occupancy, environmental, extractive purposes; and the availability of public lands. Since these lands already have a public value, their value in an alternative use differs from the

private value of similar lands. Hence, any new disposition or alternative use of this land must show that the sum of public benefits and private benefits exceed the value of the land kept in its present use. For example, is the highest social benefit to be derived from the Fort Lawton site as a park, educational center, site for low cost housing, a housing development with racial integration as its major objective, or from sale to private developers?

The above pedantic contexting and explanation of the economics to be considered in this problem may be summarized as setting the basis of investigation beyond the DMJ&M report. That is:

- (1) The problem of Federal land use for expansion of existing communities, or for new communities, is essentially the problem of housing and development of the urbanized areas. Hence, each must be looked at uniquely in terms of availability of both Federal and private lands, current patterns of land usage, relative costs, etc.
- (2) The desirability of the use of any Federal land for residential purpose can only be determined by investigating alternative uses of this land in terms of specific national social goals and objectives.

INTRODUCTION

This paper investigates transfers of lands to four different governmental entities within the State of Nevada under six special Acts of Congress.

Part I of this paper contains a brief legislative history and statutory analysis of the special acts which were enacted to enable transfer of the lands in question. It notes the absence of general statutory authority for the types of transfers of land contemplated during the period in which the special laws were enacted, and it also notes the varying degree of control retained for the Federal Government over the ultimate development of the lands. Part I was performed by Thomas C. Lee of the staff of the Public Land Law Review Commission.

Part II of the paper contains an enumeration of the problems encountered by the local and state governmental entities in obtaining transfers of the lands from the Federal Government. It also enumerates the problems encountered by the governmental units in the ultimate disposition of the lands to the individuals proposing to develop them.

Part II was performed by Raymond M. Smith of Reno, Nevada, a planning consultant to the Commission.

An appendix contains a letter and two news releases from the Oregon State Director of the Bureau of Land Management, Mr. Archie D. Craft. These documents illustrate the operation of the temporary Public Land Sale Act of 1964, 43 U.S.C.A. §§ 1421-27 (1970 Supp.), in situations which are similar to the circumstances which required the special acts for the Nevada communities.

A. Henderson, Nevada

1. Act of May 14, 1956, 70 Stat. 156.

This act provided for the acquisition of approximately 6,859 acres of public lands by the City of Henderson, Nevada, within a five-year period for a

PROVIDING PUBLIC LANDS FOR COMMUNITY EXPANSION

A Review of Selected Laws
Applicable to Nevada

1. Legislative History and Statutory Analysis, prepared by Thomas C. Lee, Commission staff.
2. Description of Problems Encountered in Carrying Out the Laws, prepared by Raymond M. Smith.
3. Appendix. (Exhibits mentioned in 2, above, are available in the Commission files)

purchase price equal to the appraised fair market value of the lands. It was amended by the Act of August 27, 1958, 72 Stat. 933, which authorized the City to purchase any part of the allocated acreage without waiving its rights to purchase the remainder at a later time.

The legislative history of the original act indicates that the purpose of the legislation was to provide land for the orderly development and expansion of Henderson. The mayor of Henderson testified in hearings before the House and Senate Subcommittees on Public Lands^{1/} that the city was entirely surrounded by Federal lands, making further development impossible, and that, in addition to needing additional land for residential, commercial and industrial development, the city itself needed land for a new sewage disposal plant, a water reservoir, new parks and recreational facilities, a city hall, cemeteries, and eventually a small airport. Congressman Young, who sponsored the House bill, testified that unless the city were given the opportunity to purchase these large tracts and thereby regulate their development, the lands probably would be disposed of "via the small tract route," and orderly development with provision for roads and utilities would be jeopardized. The Interior Department indicated that unless this special legislation was enacted, the lands would probably be disposed of under the general public land laws. See S. Rept. No. 1663, 84th Cong., 2d Sess. (1956).

Conveyance was made subject to any existing valid claims against the land and subject to "any reservations necessary to protect continuing uses of those lands by the United States." There was no reservation of mineral rights.

A history of land transactions stemming from the Act of May 14, 1956, (the first authorization for conveyance of the land to the City of Henderson) was introduced in the 1963 hearings on the second special bill for sale of lands to Henderson, discussed below, before the House Subcommittee on Public Lands. These statistics follow:

^{1/} The hearings by the House and Senate Committees on Interior and Insular Affairs cited in this part were not published by the committees.

"Total land authorized for purchase by city - 6,875 acres.

Land acquired by purchase from April 6, 1959 to April 4, 1963 - 6,234.73 acres.

Acquired land sold by city from April 6, 1959 to April 4, 1963 - 6,061 acres.

Still to be purchased when BLM can deliver marketable title - 640 acres.

Land reserved by city for flood control purposes - 174 acres.

The 6,061 acres were sold for the following use purposes:

| | |
|-------------------------------|-------|
| residential | 3,480 |
| multiple family apartments | 320 |
| commercial | 1,011 |
| industrial | 1,250 |

Paid by city for 6,234.73 acres - \$418,954.92.

Average price per acre - \$67.385.

Sold by city - 6,061 acres - \$2,232,992.00.

Average sale price per acre - \$367.00, plus platting and surveying.

To encourage development and promote the sale of these lands, an expenditure of \$840,000 has been made for water and sewer lines, reservoir and pumping station.

The majority of this land was sold on an installment basis requiring a nominal down payment, with five years to pay off the balance."

Wilbur Hardy, of the City Council of Henderson, testified concerning the development of these lands in the Senate Subcommittee hearing in 1963:

"This land is being put to beneficial use through development of residential, apartments, commercial and industrial development as is evident by the building permits and valuations thereof:

| | | | |
|---------------|-------------|-----------|----------------|
| 1957 | 573 permits | valuation | \$ 741,823.00 |
| 1959 | 663 permits | valuation | \$3,379,706.00 |
| 1962 | 861 permits | valuation | \$4,314,099.00 |
| 1963-4 months | ___ permits | valuation | \$1,548,482.00 |

During this period the city made many improvements through the issuance of bonds and assessment district. All streets were paved and sidewalks, curbs, and gutters installed. A sewage treatment plant and a 500,000 gallon water reservoir was constructed and miles of sewer and water lines were installed."

The 1963 letter of the Secretary of the Interior, commenting on the second Henderson special bill, estimated that 300 to 400 acres of the above-mentioned lands has been developed at that time. H.R. Rept. No. 318, 88th Cong., 1st Sess. (1963).

2. Act of July 22, 1963, 77 Stat. 88.

This act provided for the acquisition by the City of Henderson, Nevada, of approximately 15,000 acres of public lands within 5 years of notification of the appraised value of the lands by the Interior Department. The price for the lands was to be their fair market value plus the cost of appraisal, minus adjustment to reflect any expenditures by the city to help clear title to the lands.

The act specifically provides that the City may alternatively acquire title to any of the lands under the Recreation and Public Purposes Act (44 U.S.C. § 869 et seq.). The Senate committee report, in explaining

the need for this special legislation, states, "The public sale law does not permit sales of this size, being restricted to tracts of 1,520 acres which must be isolated, or to tracts of 760 acres which must be rough and mountainous." S. Rept. No. 344, 88th Cong., 1st Sess. (1963).

The Department of the Interior noted the Eldorado Valley and Fort Mojave special acts (discussed below) and stated,

"The foregoing laws, in addition to (this bill), reflect the need for general legislation to accommodate dispositions of public lands for urban, suburban, industrial, and other development." H.R. Rept. No. 318, 88th Cong., 1st Sess. (1963).

Conveyance was made subject to "any existing valid claims against the land and subject to any reservations, restrictions, or conditions considered necessary ... to protect continuing uses of those lands by the United States, its permittees, leases, or licensees."

The United States also reserved the right to use certain of the lands for reclamation purposes and the southern Nevada water project. Reservations of certain named minerals and the right to mine the same were also made, if the Secretary deemed the lands to be prospectively valuable for such minerals as of the date of patent.

B. Mineral County, Nevada

1. Act of September 13, 1960, 74 Stat. 880.

This act authorized conveyance to Mineral County, Nevada, of approximately 2,040 acres of the public lands upon payment of a purchase price equal to the sum of the costs of extinguishing any adverse claims, survey costs, and the appraised fair market value of the lands. The land was to be purchased within five years of notification by the Secretary of the purchase price.

The purpose of the conveyance was to permit development of lands adjacent to the town of Hawthorne, Nevada, for domestic and industrial purposes as well as conveying to the county the lands on which the local cemetery is located. The lands were formerly withdrawn for use as a naval ammunitions depot, and include a watershed area which supplies domestic water to the town.

Provision was made for reservations in the patent "necessary to protect continuing uses of those lands by the United States." Also, conveyance was to be made subject to any valid existing rights in the lands. There were no mineral reservations.

C. Lincoln County, Nevada

1. Act of May 29, 1963, 77 Stat. 53.

This act authorized the conveyance of approximately 2,844 acres of the public lands to the county of Lincoln in Nevada. The county was given five years from the date of notification by the Secretary of the purchase price to buy the land. The price established was the appraised fair market value of the land plus the cost of appraisal. The act permitted, as an alternative, the purchase of any of the lands by the county under the Recreation and Public Purposes Act (43 U.S.C. § 869 et seq.).

The Senate Committee report (S. Rept. No. 873, 88th Cong., 1st Sess. (1963)) recites the purpose of the bill as enabling the county to develop a broader industrial base. No specific plans for development are stated. The report appends the Interior Department's letter concerning the legislation, which notes that Lincoln County has been declared a depressed area by the President. Regarding prospective plans for the area, the letter states:

"U.S. Highway 395 and the Union Pacific Railroad line pass through the land, enhancing its value for light industrial development. During recent years the Lincoln County Rural Development Committee has been working to have some form of

industry move into the Caliente area. That committee has been cooperating with the Nevada Areas Development Committee to achieve this goal."

On the need for the legislation, the House Committee report stated, "Although logical use of the property is for development within the county of Lincoln, the Secretary of the Interior is without authority to make a sale to the county despite the fact that it is willing to pay fair market value."

Although there is nothing in the act which could be interpreted to give the Secretary power to place conditions on the grant, the Senate committee report states that "the Secretary will be expected to guard against speculative practices and assure ... that (the property) will not be resold in a manner disadvantageous to either the Federal Government or to the county of Lincoln."

Conveyance was subject to any existing valid claims against the lands and to "any reservations necessary to protect continuing uses of those lands by the United States." Patents also were to contain reservations to the United States of certain named minerals together with the right to mine the same.

D. Colorado River Commission

1. Act of March 6, 1958, 72 Stat. 31. (Eldorado Valley)

This act authorized the purchase by the Colorado River Commission of the State of Nevada of up to 126,775 acres of the public lands at amounts equal to the appraised fair market value of the lands. The option was to be exercised within five years from the date of the act, and land was to be purchased in segments of not less than 18 sections. The act of October 10, 1962, 76 Stat. 804, extended the time for selecting the Eldorado Valley

lands for five additional years and added a requirement that the appraisal be of the value of the lands as of the effective date of the Act.

This act differs from the previously discussed acts in that several conditions were imposed which the Commission had to comply with before it could receive patent to the lands. The Commission was to submit a proposed plan of development for the area, including "general terms and conditions under which individuals, governmental agencies or subdivisions, corporations, associations or other legal entities may acquire rights, title, or interests in and to lands within the transfer area." When the Commission applied for transfer of title to any of the land, it was to attach a "development and acquisition planning report". The Secretary was required to submit this report, together with the proposed contract and conveyancing instruments, to the Congress, and could not, without Congressional approval, execute any conveyance prior to sixty days after submitting this information.

Unlike the above-discussed acts, the Eldorado Valley Act also gave the Secretary broad authority to promulgate rules and regulations and to impose conditions on conveyances to "protect existing or future uses by the United States of lands within the transfer area, including, but not limited to, provision for reversion of title therein to the United States upon failure of the State or its successors in interest to strictly comply with the terms and conditions of any such conveyancing instrument." Authorization for reverter clauses was absent from the Henderson, Lincoln County, and Mineral County acts.

The hearings indicate that the intended purpose of the legislation was to obtain land for large industrial development. At that time, however, there was no specific plan, and no companies had asked to buy any of the land. A report indicated that 19,000 acres of the land might be

suitable for agriculture and 40,000 for home sites. The Senate committee report (S. Rept. No. 276, 85th Cong., 1st Sess.) describes the land and estimates its potential more fully.

The House committee report (H.R. Rept. No. 1162, 85th Cong., 1st Sess.) recites the need for special legislation as follows:

"There is not at the present time general statutory authority making possible the granting of multiple-acre Federal lands to States or other governmental subdivisions for planned industrial, commercial, community, or residential development and expansion purposes."

Conveyance was subject to any existing valid rights against the lands, including any mineral leases or other rights. However, the appraisal of the lands was to include the value of the minerals therein, and the state had to assume the position of the United States and succeed to any mineral rights including rights to rental and royalties.

2. Act of April 22, 1960, 74 Stat. 74 (Ft. Mojave)

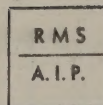
This act authorized the Secretary to convey about 15,000 acres of public land to the Colorado River Commission of the State of Nevada for an amount equal to the appraised fair market value of the lands. The Act of April 26, 1963, later extended the time for the Commission to submit its plan of development for five additional years and the time for completion of the purchase to a total of ten years.

One major difference between this act and the other special acts discussed is that the Commission, in exercising its option, is required to take all of the lands within the described area. This act is similar in nearly all other respects to the Eldorado Valley Act discussed above. The similarities include requirements of a proposed plan of development and acquisition planning

report which must be submitted in like fashion to the Congress sixty days before conveyance can take place. Similar authority is given to the Secretary to impose conditions on the conveyance to the Commission and reverter clauses for failure to comply with the conditions of the grant.

The House committee report indicates that the lands are to be used for "agricultural, homesite, and recreational purposes." H.R. Rept. No. 1250, 86th Cong., 2nd Sess. (1960). The report also notes that disposal of the lands will avoid the spread to the area of trespass and unauthorized occupancy. The lands border on the Colorado River, and testimony in the hearing before the House Subcommittee on Public Lands indicated that the lands are valuable for riverfront recreation development, as well as for irrigated agriculture and home sites.

Conveyance is subject to any existing valid rights against the land, including any mineral leases or other rights. However, the appraisal shall include the value of any minerals, and the state shall succeed to the rights to the United States in any such minerals, including the rights to rental and royalties. The State may request exclusion from the conveyance of parts of the lands because of conflict with a mining claim or claims.



RAYMOND M. SMITH A. I. P.

AND ASSOCIATES

150 N. CENTER STREET
RENO, NEVADA 89501
PHONE - 329-8598

CONSULTANT:

1 February 1970

MASTER PLANS

RECREATION PROGRAMS

SITE LAYOUTS

ECONOMIC RESEARCH

DEVELOPMENT PLANS

FEASIBILITY STUDIES

INDUSTRIAL LOCATION

APPRAISALS

MARKET ANALYSIS

HOUSING STUDIES

LAND UTILIZATION

ZONING ASSISTANCE

DISPLAYS, MAPS

DESIGN SERVICES

SHOPPING CENTERS

SUBDIVISION DESIGN

RESTRICTIONS/CONTROLS

OPINION SURVEYS

FINANCING AID

PROMOTIONS/P.R.

REPRESENTATION

REAL ESTATE COUNSEL

TO: Public Land Law Review Commission
1730 K Street, N. W.,
Washington, D. C., 20006

ATTN: Mr. Charles Conklin
Acting Director

FROM: Raymond M. Smith, A.I.P.,
Planning Consultant
150 N. Center Street,
Reno, Nevada 89501

SUBJECT: Analysis of the use of Public Lands for urban
purposes as part of an overall study of probable
future demands on public lands.

A. Definition of the Problem:

On January 22, 1970 the undersigned agreed to work as a consultant to perform a study somewhat brief in scope pertinent to certain specific laws designed to make sizeable areas of public lands available to certain communities which in turn were to make lands available in smaller areas to individuals and others. This study was to:

1. Determine when transfers of land from the Federal Government to other entities have actually been made and what problems, if any, were encountered in such transfers.

2. Present information showing the transfers from the receiving entity to individuals or others that have been made since the public lands were transferred out of Federal ownership. Describe any problems that were encountered in making these transfers and the conditions under which the transfers were made.

3. The above information is required on the following specific laws:

- a. Public Law 84-522, May 14, 1956. (This law made land available to the City of Henderson, Nevada).
- b. Public Law 88-73, July 22, 1963. (This law also made land available to the City of Henderson, Nevada).
- c. Public Law 86-433, April 22, 1960. (This law made land at Fort Mojave, Nevada, available to the Colorado River Commission).

- d. Public Law 86-742, September 13, 1960. (This law made land available to Mineral County, Nevada).
- e. Public Law 88-608, September 19, 1964. (This law, the Public Land Sales Act, makes public lands available for sale for a variety of uses including urban and residential uses. In part, it was designed to "wholesale" land to communities, who could then "retail" it to individuals. Transfer records for this purpose in Nevada and Oregon are included).

This report was to be delivered to the Commission by February 2, 1970.

B. Assumptions & Limitations:

The consultant in approaching the problem has relied on many sources within the communities where the specific Public Law applied. Extensive research was not possible due to the very limited time factor and considering the vast amounts of land and numerous sales made, some assumptive limitations must be noted:

1. The study is confined to interviews and limited research of office records.
2. The problems related to transfers as stated herein are limited to personal viewpoints as expressed by individuals considered to be experts in their fields. In-depth analysis of the viewpoints would provide a more desirable basis for future determinations.

C. Exhibits:

Details of property transfers from the various entities to individuals and property transfers from the Federal Government to individuals and others are provided for purposes of this report. Exhibits related to each of the Public Laws have been enclosed in separate folders marked with the corresponding Public Law number.

D. Introduction:

In addition to the five specified Public Laws, Bureau of Land Management records for Public Laws 88-35 (Lincoln County) and 88-339 (El Dorado Valley) are included. The time factor prevented listing of all dates of transfers. Therefore, the exhibit report form was utilized for this report for your convenience and for easy reference to specific items. The essentials applicable to each of the Public Laws represents the available information accumulated under the time limitation of February 2, 1970 and are submitted herein:

Public Law 84-522, May 14, 1956, City of Henderson, Nevada

A. Problems encountered in transfer from Federal Government to entity:

1. There were conflicting mining claims that had to be invalidated.
2. There is still 80 acres under valid claims for mining located within the lands under PL 84-522; city would also have to purchase said mining claims if they wish to purchase land.
3. After Federal appraisal made on total property, difficulties are sometimes encountered in setting values on the property for reapportionment for piecemeal sale.
4. After property value set by Federal appraisal and during option period when title still in Federal ownership, application for various types of right-of-ways are sometimes submitted creating possible value changes and certain development limitations.
5. Problems are encountered in getting contract appraisals approved due to the fact that appraised values of $\frac{1}{4}$ million dollars or more must be approved by the Secretary of the Interior. It is felt that staff appraisers in Washington, D. C., are not familiar with local land values. In addition to this problem, a time lag is created during appraisal review procedures.
6. Bureau of Land Management officials prefer the provisions of PL 88-608 as the method of sale of public lands if an amendment or revision were made thereto concerning withdrawal of all mineral rights. The amendment or revision should take into consideration that BLM presently does not have capability of making a sophisticated geological report to determine type and quantity of mineral deposits, if any, which could be of considerable value. This, in turn, prohibits mineral leases since all rights remain with the Federal Government, preventing private development of these minerals on public lands, and thus affecting the economic development of many communities.

NOTE: The above statements are the result of interviews with BLM officials.

B. Problems encountered in transfers from receiving entity to individuals and others:

1. It is felt that the five year limitation to acquire land from the Federal Government should be extended to cover a longer period of time due to the fact that the financial capabilities of the entity may not be sufficient to purchase land under this time limitation.
2. The city encountered problems in handling sales of these lands due to the fact that no professional real estate personnel were on their staffs and there was a lack of monies available to obtain professional help.
3. The majority of corporations that purchased lands under this land sale verbally indicated development plans, but never produced on the developments proposed.

4. It would be desirable if Federal low interest rate loans were made available to cities for development of roads and utilities within these lands.

5. With the exception of the above noted problems, it was generally the opinion of city officials that provisions under this Public Law were workable and satisfactory.

NOTE: The above comments were the results of a personal interview with the City Manager, Mr. George Charchalis of Henderson, Nevada.

C. Comments:

1. All lands under PL 84-522 have been transferred. The transfers were made to numerous individuals and corporations, however the requested information as to dates of transfer, receiving entities, and other information regarding the public lands since transfer out of Federal ownership to this entity, were not made available to this consultant due to the due date of the report of February 2.

D. Research Data:

1. Copies of transfer documents obtained from the Bureau of Land Management files indicate total lands available under this law amounted to 6,581.2 acres. Purchase monies paid by the entity to the Federal Government amount to \$461,148.72. Sales were made by increments. For details on transfers see Exhibit 84-522-01 in Folder 84-522.

2. See Folder 88-73, Exhibit 88-73-01 for maps depicting lands sold under this Act.

-oOo-

Public Law 88-73, July 22, 1963, City of Henderson, Nevada

A. Problems encountered in transfer from Federal Government to entity:

1. After Federal appraisal made on total property, difficulties are sometimes encountered in setting values on the property for reapportionment for piecemeal sale.

2. After property value set by Federal appraisal and during option period when title still in Federal ownership, application for various types of right-of-ways are sometimes submitted creating possible value changes and certain development limitations.

3. Problems are encountered in getting contract appraisals approved due to the fact that appraised values of $\frac{1}{4}$ million dollars or more must be approved by the Secretary of the Interior. It is felt that staff appraisers in Washington, D. C., are not familiar with local land values. In addition to this problem, a time lag is created during appraisal review procedures.

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NOTE: The above statements are the results of interviews with BLM officials.

B. Problems encountered in transfers from receiving entity to individuals and others:

1. It is felt that the five year limitation to acquire land from the Federal Government should be extended to cover a longer period of time due to the fact that the financial capabilities of the entity may not be sufficient to purchase land under this time limitation.

2. The city encountered problems in handling sales of these lands due to the fact that no professional real estate personnel were on their staffs and there was a lack of monies available to obtain professional help.

3. It would be desirable if Federal low interest rate loans were made available to cities for development of roads and utilities within these lands.

4. With the exception of the above noted problems, it was generally felt that the provisions under this Public Law were workable and satisfactory.

NOTE: The above comments were the results of a personal interview with the City Manager, Mr. George Charchalis of Henderson Nevada.

C. Comments:

1. Certain lands under PL 88-73 have been transferred to individuals and corporations. See Exhibit 88-73-01 (Folder 88-73) for current land status map with attached information sheet regarding ownerships, options, and sales.

2. For provisions of Henderson, Nevada City Charter regarding procedures for sale, lease, exchange of city owned land, and the disposition of proceeds see Exhibit 88-73-02 (Folder 88-73).

3. Resolution # 203 passed by the City Council of Henderson, Nevada establishing policy guidelines for the sale of lands under PL 88-73 is provided in Exhibit 88-73-03.

4. Eleven Land Sale Agreements for transfers of those properties under PL 88-73 are hereby included and marked as Exhibit 88-73-04 (1-11).

5. Copies of transfer documents obtained from the Bureau of Land Management files indicates total lands available under this law were approximately 16,251 acres. Purchase monies paid by the entity to the Federal Government, as of this time, amounted to \$187,640. Sales were made by increment. For details of BLM transfers see Exhibit 88-73-05.

6. A map showing Federal appraised values of lands optioned by the City of Henderson, Nevada under this public law and marked Exhibit 88-73-06 is included for further information.

-oOo-

Public Law 86-433, July 22, 1963, Fort Mojave, Nevada

A. Problems encountered in transfer from Federal Government to entity:

1. An inter-agency dispute (1/) between the Bureau of Reclamation and the Bureau of Land Management was created by the insistence of the Bureau of Reclamation on withholding for Federal Government certain essential attributes of fee ownership. The major attributes being rights of construction and flooding. The BLM officials felt the attributes would severely restrict the sales and developments of these lands and requested a modification of the fee ownership conditions. These conditions were ultimately modified as requested by the BLM.

2. The location and extent of the Colorado River bed due to numerous surveys being different at Statehood and the river meandering across the flood plain prior to 1935. However, both States of Nevada and Arizona have agreed to the Colorado River boundary line (1960 Compact fixed boundary between the States). The Colorado River having been declared a navigable stream, which provides that each State owns one-half of the river bottom. Due to the fact that the river bottom meanders, ownership is constantly shifting due to accretion or avulsion.

B. Problems encountered in transfer from receiving entity to individuals and others:

1. Two privately owned properties have titles in question due to the river meandering, however this will be settled in the near future by civil court action. For location of the properties in question see Exhibit 86-433-01 (Ft. Mojave Development Map).

(1/) Information obtained from Mr. Hillsamer, Lands Branch Chief, Reno office of the Bureau of Land Management.

2. The entity has experienced problems in finding prospective purchasers that meet their criteria, which includes:

- a. acceptable financial resources,
- b. available manpower resources,
- c. past successful record in development business,
- d. submission of acceptable general plan of development,
- e. acceptable methods of operation, and
- f. approval of time table of development.

C. Comments:

1. Conditions under which transfer made from the Federal Government to the Colorado River Commission (entity) were purchase by increments based on appraised BLM price of \$3,055,000. Total property involved contained approximately 15,000 acres. At the present time, the Colorado River Commission has paid \$715,534.91 to the Federal Government. According to officials of the Colorado River Commission, only one parcel remains to be sold from original lands involved. See Exhibit 86-433-01 for property location in this particular case.

2. Colorado River Commission officials have indicated that all proceeds from sales of Ft. Mojave lands will be used for the purchase and the development of lands for State Park purposes.

3. All lands purchased under reapportionment basis.

4. Conditions under which transfers were made from entity to others were handled by contract of sale; terms in each case were different. Properties sold had prices based on appraisals and offers of purchasers. Details of individual sales were as follows:

a. Southern California Edison Company purchased under a contract of sale in October 1966 for \$440,000 for 2500 acres. The property as shown in Exhibit 86-433-01 was purchased for the purpose of construction of a \$200,000,000 steam generator plant, which at the present time is over 50% complete.

b. Rio Alta Vista Properties purchased under contract of sale 190 acres in May 1967 for \$160,000. Property as listed in Exhibit 86-433-01 is for development of property for resort and residential uses. The terms of sale were for the purchase price to be paid in three installments, release of title in increments upon payments, and levels of development completed for each of three parcels. \$50,000 is still outstanding.

c. R. J. Beaumont and Associates purchased under contract of sale 9400 acres in December 1969 for a total contract price of \$5,734,000 to be paid in increments over a five year period. Payments were as follows: 6 months option at \$10,000 per month; option expires June 1970. If option picked up \$50,000 so paid to apply on purchase price plus \$1,300,000 non-transferable note. If option picked up, further payments to be made as follows: In October 1971 - \$1,160,000; October 1973 - \$1,000,000; October 1974 -- \$1,000,000, October 1975 -- \$1,274,000. No options expired.

d. Colorado River Company purchased under contract of sale 1090 acres in May 1967 for \$200,000 to be paid in three increments. The same contract terms applied as for the Rio Alta Vista Properties listed above in 4b.

e. The State-owned 1918 acre parcel plus 149 acre parcel (BLM appraised price) as shown in Exhibit 86-433-01 were purchased with monies derived from the sales of properties listed in 4a-4b-4c-4d above. Negotiations started in October 1966 and covered a period of time.

f. For land ownership descriptions and proposed uses, see Exhibit 86-433-01.

D. Additional problems are being encountered in obtaining title insurance due to property having questionable legal description. Here again, this is due to meandering problems of the Colorado River.

E. See Exhibit 86-433-02 for details on certain patents issued under PL 86-433.

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Public Law 85-339, March 6, 1968, El Dorado Valley, Nevada

As an additional supplement to the requested information on the five specific laws, there is included a copy of the Bureau of Land Management record sheet Exhibit 85-339-01, describing certain lands involved in PL 85-339, El Dorado Valley, Nevada.

The Lands Branch Chief of the BLM, Mr. Hillsamer, stated that the case file on this public law is presently in Washington, D. C., and no lands have been sold under this Act at this time.

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Public Law 88-35, May 29, 1963, Lincoln County, Nevada

A. Problems encountered in transfer from Federal Government to the entity:

1. According to the Bureau of Land Management, no problems were encountered with the two land sales made to this entity.

B. Problems encountered in transfer of lands from entity to individuals or others:

1. According to the Lincoln County Clerk, no problems were encountered in the two land sales listed below.

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C. Comments:

1. Under PL 88-35 there were 2,964.38 acres included in two sales. Monies paid by Lincoln County to the Federal Government amounted to \$56,980.75. 2,884.38 acres was sold for \$42,500, patented August 29, 1968, and 80 acres was sold for \$14,480.75 patented on January 21, 1970.

2. The receiving entity (Lincoln County) in turn sold the 2884.38 acres to a Las Vegas Corporation in fee simple for \$100,000 cash. The 80 acres was resold to a private individual for \$10,000 cash in fee simple on April 21, 1969.

3. Lincoln County sold to a private individual prior to the time the land was transferred to them by the Federal Government. Information was not available for further research, due to time limit, as to reasons for the transfer of the 80 acre parcel in this manner.

D. Exhibit 88-35-01 is the Bureau of Land Management record sheet for one transaction of the Federal Government to the entity. Record sheets for the second parcel were unavailable based on the fact that it was such a recent purchase.

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Public Law 88-608, September 19, 1964, Oregon

A. Problems encountered in transfer from Federal Government to entity:

1. According to correspondence with Bureau of Land Management officials, no problems were encountered in sales of lands to public entities.

B. Problems encountered in transfer of lands from entity to individuals and others:

1. Information regarding sales of land from the receiving entity to individuals and others was not available within the time limit.

C. Comments:

1. Included in Exhibit 88-608 folder (Oregon) is the total information available on lands sold under this act. Contact was made with Mr. Anderson of the BLM (Oregon) requesting information as set forth in our scope of work designated by Mr. Charles Conklin, Acting Director, Public Land Law Review Commission. As you will note, the information is somewhat lacking in completeness. Further information in regard to these transfers would require additional research to obtain necessary information.

2. A letter was received from Mr. Archie Craft, State Director, of

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the Bureau of Land Management, Portland, Oregon, giving further information on sales of public lands under PL 88-608 is marked Exhibit 88-608-01. Full details regarding terms, sales prices and problems encountered from the receiving entity to individuals and others was not available at this time.

-o0o-

Public Law 86-742, September 13, 1960, Mineral County, Nevada

A. Problems encountered in transfer from Federal Government to entity:

1. Belated attempts were made by the U. S. Navy to withhold some lands from the county. This was due to the lands originally being withdrawn for Navy use as an ammunition depot. The attempts failed due to lack of objections by the Navy prior to approval of the sale.

NOTE: The above statement was a result of an interview with BLM officials in Reno, Nevada.

B. Problems encountered in transfer from receiving entity to individuals and others:

1. There have been no problems encountered in selling the lands from the receiving entity to individuals and others.

C. Comments:

1. These lands applied for and purchased under PL 86-742 totaled 1,996.85 acres. Total monies paid to the Federal Government were \$18,400.

2. See Exhibit 86-742-01 for Bureau of Land Management record sheets for the transfer from the Federal Government to the entity.

3. In relation to the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 34, Township 8 North, Range 30 East (Deed from General Services Administration), approximately 22 acres has been set aside and reserved for hospital purposes, and this is the site that the hospital was constructed on a few years ago. See Exhibit 86-742-02.

4. Patent Deed Number Nevada 056300. NE $\frac{1}{4}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 10, Township 7 North, Range 30 East, 120 acres more or less. This ground has been withdrawn from sale based on the fact that a large water storage reservoir is located in this area. See Exhibit 86-742-03.

5. Section 22, Township 8 North, Range 30 East, S $\frac{1}{2}$ S $\frac{1}{2}$, contains approximately 160 acres. The Hawthorne, Nevada cemetery is located in this particular 160 acres and also a portion is used by the Hawthorne Municipal Airport.

a. See Exhibit 86-742-04 for copy of deed covering 1.393 acres of this 160 acres.

b. See Exhibit 86-742-05 for copy of deed covering 0.4468 acres of this 160 acres.

c. See Exhibit 86-742-06 for copy of deed covering 9.6382 acres more or less of this 160 acres.

d. See Exhibit 86-742-07 for copy of deed covering one acre more or less of this 160 acres.

6. Section 34, Township 8 North, Range 30 E, NW $\frac{1}{4}$ NW $\frac{1}{4}$, 40 acres more or less. A 10 acre parcel has been set aside in this 40 acres for construction of a county court house. Future plans call for an additional building to house the sheriff's office, district attorney's office, and county jail. And, in addition, two and one-half acres has been sold in this 40 acres to the Mormon Church, however, the deed has not yet been prepared.

7. The NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34, Township 8 North, Range 30 East. A copy of the deed relative to this sale is attached and marked Exhibit 86-742-08.

-o0o-

Public Law 88-608, September 19, 1964, Nevada

A. Problems encountered in transfer from Federal Government to entity:

1. No problems were encountered in the transfer of lands from the Federal Government to the entity. However, Bureau of Land Management officials prefer the provisions of PL 88-608 if an amendment or revision were made thereto concerning withdrawal of all mineral rights. The amendment or revision should take into consideration that BLM presently does not have the capability of making a sophisticated geological report to determine type and quantity of mineral deposits, if any, which could be of considerable value. This, in turn, prohibits mineral leases since all rights remain with the Federal Government, preventing private development of these minerals on public lands, and thus affecting the economic development of many communities.

2. In addition, the extent of certain unique archeological resources should be investigated prior to mineral development if mineral rights were to be sold with the properties. Indications are that the sales act of the Public Law would increase heavily if minerals could be developed; in turn, this relates directly to the economy of the local communities.

B. Problems encountered in transfer from receiving entity to individuals and others:

1. Due to time limit, surveys could not be made to determine the conditions under which transfers were made or the current use of the properties, however, the following information regarding transfers from the Federal Government to entities are listed as follows:

| Date of Transfer | Acreage | Sale Price | Entity |
|--------------------|---------|------------|-------------------------|
| September 19, 1964 | 135 | \$1,490 | Lander County, Nevada |
| June 3, 1969 | 20 | \$300 | City of Wells, Nevada |
| November 18, 1968 | 520 | \$5,016 | Pershing County, Nevada |
| January 19, 1970 | 160-48 | \$1,444 | Pershing County, Nevada |

Exhibit 88-608-01 contains Bureau of Land Management records of transfers from the Federal Government to entities and individuals.

C. Comments:

1. See Exhibit 88-608-02 for copies of Bureau of Land Management records of transfers made from Federal Government to individuals and corporations.

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Raymond M. Smith

RAYMOND M. SMITH, A.I.P.,
by James Brockett, Associate



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Oregon State Office
729 N. E. Oregon Street (P. O. Box 2965)
Portland, Oregon 97208

IN REPLY REFER TO:

2720/1751
(100.5)

JAN 27 1970

Received 1/31/70
our office

Mr. Jim Brockett
Raymond M. Smith Planning Consultants
150 North Center Street, Suite 223
Reno, Nevada 89501

Dear Mr. Brockett:

You have asked for information on the sale of public lands under P. L. 88-608, the 1964 Public Land Sale Act. We view the act as highly successful, particularly where local governments have played a major role in decisions affecting the use of the land. The following examples may be helpful to you.

One example is a sale of a 40-acre tract to the City of Boardman, Oregon, for the relocation of the city adjacent to the pool created by the John Day Dam project on the Columbia River. Sale was authorized under the 1964 Public Land Sale Act. A detailed comprehensive plan and zoning ordinance for the land, together with other land in the relocated town site was prepared by local officials.

The sale tract is situated at a newly constructed freeway interchange and the plan has provided an orderly pattern of development consisting of attractive highway service establishments adjacent to the interchange and other appropriate urban developments within the relocated town site.

Also, 530 acres of public land was recently sold under the 1964 Act to the Port of Umatilla, Umatilla, Oregon. Completion of the John Day project in 1967 provided a major inland water system that will accommodate ocean going vessels. An expansion of port facilities at Umatilla were required to keep pace with the growing demands of river shipping.

Local governmental officials acting in cooperation with the Bureau of Land Management in Oregon prepared the groundwork for disposal of approximately 13,000 acres of public lands under the 1964 Public Land Sale Act to date. By and large, the lands, adjoining local communities, were needed for urban uses, or were chiefly valuable for agricultural development.

With respect to agricultural lands sold under the act, a major private irrigation development project is emerging near Boardman, Oregon, and was recently publicized in Farm Journal.

The project has been conceived and planned by Farm Chemicals, Inc., a fertilizer and agricultural supply outlet for Shell Oil Corp. Mr. Edward Miley of Athena, Oregon, is Manager of Farm Chemicals for eastern Oregon and eastern Washington. The project embraces approximately 12,000 acres of undeveloped semiarid land in North Morrow County, including nearly 5,120 acres (8 sections) recently sold by BLM under the Public Land Sale Act. A wide diversity of crops are contemplated for production, including potatoes, sugar beets, row crops, and hay. A multimillion dollar irrigation system, utilizing Columbia River water and many miles of pipeline are to be constructed. An initial residential community of ten homes is also projected. See attached map.

In discussions with the Morrow County Court, it was learned that the project had been envisioned for years, but never materialized because of the checkerboard public-private ownership in the area. Mr. Miley indicated that the swift transfer of title into private ownership by BLM under the Public Land Sale Act, together with favorable interest by adjoining owners, were in large measure responsible for the present highly advanced status of the project.

Morrow County Judge, Paul Jones, has been most complimentary with respect to the effectiveness of the Public Land Sale Act. Judge Jones, together with local planning officials, prepared the groundwork for the November 24, 1967, sale by BLM. It is now a great source of satisfaction to Judge Jones and his local governmental colleagues, to see the realization of Farm Chemicals' project and attendant enhanced economic status it projects for Morrow County.

In contrast with the Public Land Sale Act, Morrow County officials are well aware of other methods of disposal BLM may have alternatively made of the lands at issue. Such laws, with their complex development requirements, compliance for proof of development, and other time-consuming and costly requirements preliminary to title conveyance, could have delayed for years, such proposals as Farm Chemicals'.

We believe the Public Land Sale Act, which permits sale of the land pursuant to comprehensive plans and zoning instituted at the local level, (through cooperation of local planning officials and the Bureau of Land Management), is a most effective means of public land disposal. Where the law is applicable, the public interest is significantly served by fair market value returns, fully competitive auction proceedings in sales to the public, and swift transfer of title.

Enclosed are copies of "before" and "after" news releases explaining the Boardman, Oregon, sale under P. L. 88-608. Also enclosed are copies of

serial register pages of all sales made in Oregon and Washington under the act since its inception. I trust this information will be of value to you.

Sincerely yours,

Orville D. Croft

State Director

Enclosures 4
Map
News Release 10/23/67
News Release 11/27/67
Serial Register Pages (33)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Oregon State Office

68-20

October 23, 1967

729 NE Oregon Street (P. O. Box 2965)
Portland, Oregon 97208
234-3361, Ext. 290 (R. D. Hostetter)

BLM News for release October 24

BLM SETS DATE FOR MORROW COUNTY LAND SALE

On November 24 Bureau of Land Management officials will auction off public lands in Morrow County appraised at \$522,800, Archie D. Craft, Oregon state director, announced today.

Located on both sides of Interstate 80 between Umatilla Ordnance Depot and Boardman Industrial Park in northeastern Morrow County, the 26 tracts to be sold total 11,865 acres.

Each tract will be auctioned separately, Craft said. Tracts vary in size from 120 to 654 acres and lie in a checkerboard pattern. Twelve of the tracts comprise full Sections and the others are portions of Sections.

Appraised prices average \$44 per acre, with tracts valued from \$2,600 to \$34,300.

The public auction will be conducted at the Grange Hall, Boardman, Oregon commencing at 1:00 p.m., with each tract going to the highest bidder.

Sealed bids will be considered only if received by the Bureau of Land Management Land Office, 729 NE Oregon Street (P. O. Box 2965), Portland, Oregon 97208, prior to 4:00 p.m. on November 21. Sealed bids must be accompanied by payment of the total amount bid plus publication costs of \$30 per tract.

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68-20
P. 2

Oral bids on November 24 must exceed any sealed bids previously submitted, and all bids must be at or above appraised prices for each tract.

Successful oral bidders at the auction will be required to pay immediately the amount bid, plus publication costs.

Decision to sell this group of tracts, remotely located from other BLM lands, was reached after detailed study and analysis. Many conferences with local public officials, landowners, and resource users were held. A questionnaire was sent to all Morrow County taxpayers, public meetings were held, and other Federal agencies were consulted, all to determine what type of use of the lands would be most in the public interest.

Conclusions were that the land has potential for irrigated farming. Potatoes, alfalfa, melons, and small grains have been grown successfully on nearby private lands.

Applications to acquire northern Morrow County BLM land under the Desert Land Act did not qualify and were rejected in favor of sale of the tracts under the Public Sale Law of 1964. The sale law enables purchasers to take title promptly, an advantage in seeking financing to pump water from the Columbia River to irrigate the land. The river is from two to ten miles from the lands to be irrigated, requiring a major project to serve all irrigable lands in the area.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Oregon State Office

November 27, 1967

729 N. E. Oregon Street (P. O. Box 25)
Portland, Oregon 97
234-3361, Ext. 290 (R. D. Hostett)

BLM News for immediate release

BLM SELLS 9,745 ACRES FOR \$472,500 IN MORROW COUNTY

Acting under new 1964 laws, the U. S. Bureau of Land Management sold 9,745 acres of potential crop land on November 24 at Boardman, Oregon. Located in northern Morrow County, 22 out of 26 tracts offered at oral auction were sold for a total of \$472,500.

Sale under the Public Land Sale Act of 1964 gives prompt title to high bidders, who were required to make payment in full on the day of the sale.

Of the 22 tracts sold, eight went at the appraised prices. For the 14 others there was competitive bidding which drove the average of their sale prices 19 percent above appraised prices. The increase was \$40,600 for the 14 tracts.

Irving W. Anderson, lands and minerals division chief in BLM's Oregon State Office, conducted the auction. He noted that the prices for the tracts that were sold averaged \$48.49 per acre. Appraised prices averaged \$44.32 per acre.

The greatest dollar increase was for a 640-acre tract appraised at \$31,600 which was purchased by Oscar Peterson of Ione, Oregon for \$40,200, or \$62.81 per acre, an increase of 27 percent. Percentagewise, however, the greatest increase for any tract was just twice that amount, or 54 percent. It was for a triangular tract of 148 acres just south of the Union Pacific Railroad right of way and bisected by Interstate Highway 80N. It was appraised for \$2,600 and sold for

\$4,000 to Nile G. Williams of Veneta, Oregon.

Rex Ellis of Pendleton, Oregon bought six tracts totaling 2,439.93 acres for \$93,000. They are located between Irrigon and Boardman, along U. S. Highway 730, with one tract only a mile from the Columbia River, potential source of irrigation water.

Joe Andrews of Echo, Oregon purchased three tracts totaling 1,796.64 acres for the appraised price of \$83,000. They corner each other southwesterly from Interstate Highway 80N.

Four successful bidders were from the State of Washington. Five were from western Oregon. Others were from north central Oregon.

Anderson said that the four tracts not sold totaled 2,120 acres and were appraised at \$90,900, or an average of \$42.88 per acre. Before they again will be available for purchase, they will be readvertised, he explained.

In conducting the auction on November 24, all 26 tracts were offered in sequence with 14 selling. Then the remaining tracts were offered again, with four more going at appraised prices. After successful purchasers had confirmed their bids in writing, interested persons requested that bidding be reconvened, and the final four tracts were reoffered and sold. With no further interest expressed in bidding, Anderson closed the auction about 6 p.m., after five hours of transactions.

About 350 persons attended the sale which was held in the Greenfield Grange Hall at Boardman, Oregon. The town of Boardman has been moved during the past few years to its present location from its former site which will be flooded by waters rising behind John Day dam on the Columbia River. Part of the new town-site is on 40 acres sold to the City of Boardman by the Bureau of Land Management.

It was the first tract in the Nation sold under provisions of two new laws: the Classification and Multiple Use Act and the Public Land Sale Act of 1964. It was in accordance with the same two laws that remaining northern Morrow County BLM lands were classified for public auction on November 24.

Anderson said that most of the public domain lands which were sold and the intermingled lands which already are privately owned have potential for irrigated crops such as alfalfa and potatoes. They are east of the Boardman Space Age Industrial Park.

Classification of public domain lands for retention and continued multiple use management by the Bureau of Land Management or for transfer to other ownerships is provided by the Classification and Multiple Use Act of 1964. During the land classification process, BLM representatives seek the recommendations of local leaders and hold public meetings to learn opinions of citizens.

Many national conservation organizations recommend that the Classification and Multiple Use Act be extended beyond its original expiration date, according to Bureau officials. Originally, it was to coincide with the duration of the Public Land Law Review Commission's four years of study. The Commission has requested Congress to extend the deadline for filing its report, however.

In Oregon, public recommendations have been for continuing multiple use management of BLM lands where they are relatively well blocked in southeastern Oregon and where intermingled with O&C lands in western Oregon. Except for lands in Morrow County, classification studies of other BLM lands in Oregon have not been completed, officials report.

Section II

"NEW CITIES AND THE PUBLIC LANDS:
TOWARDS A NEW URBAN FRONTIER IN THE CONTEXT OF A
NATIONAL URBAN DEVELOPMENT POLICY"

BY:

DANIEL W. COOK, M.A., A.I.P.
Principal Consultant

URBAN DEVELOPMENT ANALYSTS
75 Ryegate Place
San Ramon, California 94583

A PAPER PREPARED FOR:

THE PUBLIC LAND LAW REVIEW COMMISSION
Washington, D. C.

December 31, 1969

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I. INTRODUCTION

Since the founding of the Republic, Americans have dreamed of building a great civilization - a society where people devote their energies and creative instincts to pursuing the good life for all. Today and tomorrow, we are and will continue to be a metropolitan society. But our existing metropolitan areas evidence symptoms of disease, decay, and decadence. Our enormous megalopolises continue to grow and expand, and they are currently characterized by miles of rank and infested slums, scattered suburban wastelands, traffic bedlam, poisonous smoggy air, increasing poverty, and depressing ugliness. As people from rural areas and the smaller towns continue to pour into our existing metropolitan areas, a host of new social and economic ills are created. Our present attempts to cope with metropolitan problems chase people from their homes and businesses as the bulldozers of "urban renewal" replace slums with prison-like "middle-income" housing barracks. Great parks and scenic areas are chewed up and spat out as traffic-choked obsolete freeways plough through the cityscape. Outer "new town" super subdivision slurbs sprawl across nature's land as ex-urbanites seek open space and escape from reality. Workers face the income dilemma and are laid off as computers, machines, and automated systems assume the tasks of producing and distributing the goods and services of our economy. Bureaucracy grows in power as people become mere cogs in the wheels of forward motion. In short, we are a sick metropolitan society.

Response to challenge, Arnold Toynbee maintains in his "A Study of History" is the single greatest force of the human spirit in shaping the development of advanced civilizations. The challenge of space exploration has and will continue to excite the imagination, create new technological systems, find answers to previous unknowns, and marshal the talents and resources of the nation in the achievement of certain goals. It has often been said that where there is a will, there is a way. Man has landed on the moon. The age-old aspirations of the human race to explore new worlds, adventure into the unknown and perform great feats of courage in the pursuit of a dream have opened new visions for achievement.

But the greatest challenge for American civilization during the seventies and beyond must focus primarily on earth: the quality and pattern of urban life, economic opportunity for all citizens, justice and domestic tranquility, peace and prosperity, the growth of whole human beings. Spiritual and aesthetic enrichment coupled

with conserving the environmental/ecological integrity of "space-ship" earth, are priority items on the agenda for today and tomorrow.

The American dream of general affluence for all can and must be fulfilled. The world expects our democracy, our leadership, our vision, and our will to set the tone for human progress on this planet. It is an indictment of our social values that during an age of unprecedented economic growth, of vast scientific and technological advance, of increasing production automation, of space travel, and America's position of world leadership that we have not taken bold and imaginative action to solve the really pressing problems of our society. Will not history judge the contribution of our generation on the basis of our determination to chart a new course in our destiny?

Several observers of America's urban scene have stated our problems in lucid terms. On matters concerning suburbia and our existing metropolises, Lewis Mumford warned in his book "The City in History":

"If we are concerned with human values, we can no longer afford either sprawling suburbia, or the congested metropolis; still less can we afford a congested suburbia, whose usual openness depends upon the cellular isolation and regimentation of its component families in mass structures."

On the aesthetic quality of our present metropolitan society, Stewart Alsop in a recent article in the Saturday Evening Post declared:

"With the possible exception of a couple of countries in Africa and the Middle East, the United States is the ugliest country in the world. Or if it isn't yet, it is rapidly becoming so."

On our rapid metropolitan population growth and the creation of centralized bureaucratic organization in our society, Aldous Huxley, in "Brave New World Revisited," observed:

"Over population and over-organization have produced the modern metropolis, in which a fully human life of multiple personal relationships has become almost impossible. Therefore, if you wish to avoid the spiritual impoverishment of individuals

and whole societies, leave the metropolis and revive the small country community, or ALTERNATIVELY, humanize the metropolis by creating within its network of mechanical organization the urban equivalents of the small country communities, in which individuals can meet and cooperate as complete persons, not as the mere embodiments of specialized functions."

And concerning the trends toward big government, big labor, and big business, Huxley continued in the same book:

"Thus, it is a political axiom that power follows property. But it is now a historical fact that the means of production are fast becoming the monopolistic property of BIG BUSINESS and BIG GOVERNMENT. Therefore, if you believe in democracy, make arrangements to distribute property as widely as possible."

The American dream since Jeffersonian times has been that all citizens can own property -- income producing property -- of reasonable size holdings which will provide security, dignity, and political/economic freedom and independence.

The Lincoln Administration in enacting the 1862 Homestead Act (granting ownership of 160 acres of land to household heads for settlement and the development of an agricultural production base) offered America's propertyless masses and poor one of the most innovative and revolutionary socio-economic concepts in the history of man: an opportunity to own land (a capital asset 107 years ago in a predominantly agrarian economy). More than any other single policy, this program settled the west and developed the foundations for middle-class society in contrast to European, Latin American, and Asiatic societies.

The importance of widespread property ownership cannot be over-emphasized, particularly as related to urban areas, and the role of such ownership in shaping the foundations for a democratic society. The Homestead Act of 1862 made it possible for millions of families to legitimately acquire productive capital in the form of agricultural land, and thus become economically independent families. C. Wright Mills, in his book "White Collar," reminded us:

"The small urban entrepreneur has never formed a broad stratum which, like the rural, could enact a key role in the shaping of a free society. The city never matched the countryside: neat rows of independent shops never grew up to become the equivalents of sections of land. Industrial plants and retail stores were not given to smaller men as were farms, and the capital required to start new businesses became greater in rough proportion to technological progress. There was never any Homestead Act for the would be urban entrepreneur, although for manufacturers the tariff was something of a Homestead Act. Industrialization does not necessarily develop a private centralization of enterprises, with resultant difficulties for small entrepreneurs, but that is the way it has worked out in America."

Economic poverty in the sight of opulence for the few and illusory affluence for the majority, is the seed of revolution, civil strife, and totalitarian ideologies. Out modern industrialized economy consists of two major factors of production: labor and capital. In economic terminology, capital includes land, technology, machines, and all other non-human factors employed in the production and distribution of wealth. In an advanced technological society, it is an obvious fact that capital is the primary source of wealth, of increased production and lower costs. The non-human factor -- land, machines/technology, etc. -- are responsible for our abundance of material goods and services.

The overwhelming majority of America's capital wealth, represented by the assets of the top 4000 corporations, is owned by less than 10 per cent of the population. Capital property ownership represents the primary source of wealth, yet 90 to 95 per cent of the population owns no significant share of this capital base. Since capital instruments are becoming more and more the major wealth producing factor in our economy, while labor, per se, is contributing less and less, the problem of the distribution of purchasing power among people becomes more critical, and necessarily relates to the question of ownership of capital and other forms of income producing property. New capital formation has been occurring at the rate of some \$60 billion annually in recent years: virtually all of this new capital is owned and controlled by the same groups of people and institutions of a generation ago. The concentrated

ownership of capital is the source of America's present income dilemma: poverty and the lack of sufficient purchasing power to afford a decent standard of living.

Widespread ownership of productive property -- in the form of urban land and corporate stock -- offers a new direction for fulfilling the essence of the American dream: affluence and economic independence for all individuals.

If we are to change the direction of our destiny from one of utter chaos, we must take bold and imaginative action for fulfilling the promise of the American dream. During the 19th Century, we conquered the challenges of the western frontier. Now, in the second half of the 20th Century, we are penetrating the unknown frontiers of space travel and the scientific revolution. Although we have made some meager strides in conquering the frontiers of slums, blight, and decay in our old cities, and the suburban frontier has provided many with a measure of escape, neither the present urban renewal program nor the nostalgic 19th Century idea of ringing our conurbations with suburban "new towns" have produced a rational and desirable metropolitan environment. These concepts, though useful for treating certain symptoms, fail to get at the roots of our problems and to conceive the metropolis as something potentially great. As a metropolitan civilization, we ought to be planning, designing, and building dozens of beautiful and livable whole new metropolises throughout our nation.

Americans today, and in the future, will be faced with some of the most challenging problems of history. Simultaneously, we will have the greatest opportunity in history to take daring, imaginative, and bold action -- not only to solve many of our domestic problems -- but to build a new urban civilization worthy of our great traditions and equal to the promise of the American dream -- the dream that all people shall have a right to life, liberty, property, and a viable income.

II. AMERICA'S URBAN AND ECONOMIC DILEMMA

Numerous commissions, committees, groups of experts and concerned individuals have studied conditions in America, and they have painted a picture of the "State of the Nation": sick, confused, aimless, rebellious.

Our domestic crises can generally be described as the "urban dilemma". Urban problems -- past, present, and future -- seem to have two major manifestations: physical and socio-economic.

America has a multitude of problems at the present time, but most of these problems generally occur in and are concerned with our existing metropolitan areas. The majority of these problems are a result of, or are related to, continued metropolitan growth and sprawl, our population explosion, the accelerating pace of automation and technology, the concentrated control and ownership over economic production and wealth, and particularly the lag in our social, economic, and political attitudes and institutional arrangements in response to the developments of science, technology, and social change.

Presently we have 212 standard metropolitan areas containing about 70 per cent of our population. Over 1 million people leave our farms and small towns each year destined for one of our present metropolitan areas. Metropolitan population growth is presently accelerating at 5% per year -- about twice our national population growth rate.

By the year 2010, our national population is expected to approach 400 million. Projections indicate that 80% to 90% of this future population will be living in our existing metropolitan areas. By then, New York may harbor a 40 million population, Los Angeles 30 million, Chicago 25 million, San Francisco-Oakland 15 million and Houston 10 million.

The problem of unabated metropolitan growth has been described by the United Nations World Health Organization as the "second most important problem facing mankind -- after the question of peace".

Urbanization annually consumes about a million acres of open land each year. The pattern of regional urbanization now emerging has been called "megapolis" by Jean Gottman in his monumental

study of the northeastern United States. Unfortunately, many planners and policy-makers appear to believe that not only is this pattern of urbanization inevitable, but desirable -- and therefore, we must plan for it, and codify it in officially adopted regional plans.

Dr. Harrison Brown of the California Institute of Technology foresees a United States population of at least one billion people by the year 2075 A.D. He, along with many other experts in the field of urbanization, foresee a continuous urban conurbation running down the East Coast and another along the West Coast. Other super strip "cities" are expected to emerge along the Gulf Coast, the Great Lakes, and perhaps along the front range of the Rockies. This then, if we accept trends, projections, and expert prognoses, is the shape of the future -- the horror of "monsteropolis".

By the year 1980, projections indicate that we will have over 120 million motor vehicles jamming our already clogged freeways and streets. By 2000, we could very well have 200 million vehicles on our roads. As a result, smog will get worse in all of our present metropolitan areas. The more than 1,000 separate local units of government operating in some of our metropolitan areas cannot solve these problems of traffic, air and water pollution, or planning. Our metropolitan areas consist of hundreds of wasteful, inefficient, and bureaucratic municipalities, special districts, authorities, commissions, and boards tangled in confusion and jurisdictional haggling.

Traffic in our existing metropolitan areas is getting worse and will be chaos in the future. With population growth and increased vehicle use, the tremendous costs involved in constructing freeways and transportation systems in our existing metropolitan areas will be astronomical. Our transportation crisis will get worse as we build thousands of miles of obsolete, traffic-choked freeways to serve our present metropolitan monsters.

Suburban growth is straining local taxes and skyrocketing municipal debt as each new family requires an investment of \$13,000 for new parks, streets, freeways, schools, sewerage facilities, and utilities. Concurrently, slums continue to exist and multiply, even though the Federal government devotes \$2.0 billion or more annually for urban renewal. The 400,000 people crammed sardine-style into 1500 acres of rat-infested slums in Manhattan's Harlem have yet to experience the benefits of urban renewal. The cost

to completely abolish all slums in all cities through a 20-year total "urban renewal" effort has been conservatively estimated at \$2,650,000,000,000!

The migration from our farms and small towns to our big cities is also creating a vast myriad of new social problems, overcrowding, and new slums. Slums, deteriorated housing, and their consequent human suppression will continue to increase.

Urban renewal, as presently practiced, creates as many evils as it does solutions to our problems of blight, decay, and slums. Unfortunately, present day urban renewal projects use the police power of the state to condemn property, use the taxpayer's money to purchase it, and then sell it at a loss to developers for redevelopment. The poor people are not helped; they are just "relocated" into other slums. As Lewis Mumford noted in "The City in History":

"... 'urban renewal' legislation, cannot be justified as a contribution to a meaningful and valuable social life, or as a desirable pattern for human cooperation. A whole city built on this basis would be a bureaucratic nightmare of inefficiency and inhumanity..."

"... Note further how the generous provisions for writing off part of high slum land values, in the interest of urban renewal, by the Federal Government has resulted, not in lower densities and better housing for the poor thus displaced, but often in even higher densities and larger profits through housing upper-income groups. Characteristically, not the slum dwellers, but the speculative financiers and builders have been the main beneficiaries."

The scientific-automation revolution is upon us and in future years will take its toll of jobs and create vast new social, political, and economic problems. It is estimated that automation replaces 1.5 million jobs per year at the present time. In the future, the rate of labor replacement by machines will increase because the entire basis for initiating technological advance is to reduce labor input and costs, and substitute capital instruments in the production process. The purpose of automation is to reduce the need for labor, and hence jobs. Consequently, it is nonsense to assume that our emerging age of automation is going to increase employment or create enough legitimate other new jobs to provide viable wage

incomes for most of the population. We will continue to experience a high rate of "unemployment." And technological "dis-employment" in the future will affect white collar, professional, and managerial people as well as blue collar workers. The displacement of people by machines and computers is rapidly leading us to the era of the income dilemma, the problem of non-viable money income distribution which prevents consumption from equalling production. Those who will suffer will be the people who earn their living only through wages. Only those who own enterprises or who own capital property will benefit. They will receive incomes based upon the ownership of capital, primarily in the form of dividends from corporate stock or from income provided by real property.

Poverty exists as a fact of life for 40 million Americans, most of whom live in metropolitan areas and who lack a legitimate source of viable incomes. As a result they live in slums, are ill-fed, ill-clothed, ill-housed, and ill-educated. To survive they depend upon charity -- welfare dole, public or subsidized housing, contrived employment at the minimum wage of \$1.65 per hour (a poverty wage), or else crime, riots, and looting. These people own nothing. They are property-less. They don't own "a piece of the action." For the majority of American's with the illusion of quasi-affluence, their standard of living is financed by long term debt, vast consumer credit, moonlighting, working wives, and the general way of life known as "buy now, pay later." This is the working suburban middle class. They don't own "a piece of the action" either.

Housing -- relatively high cost and very low in quality in relationship to the effective demand -- is another serious problem facing our nation.

The need and the potential effective demand for housing during the next ten years has been estimated at 26 million units by the Department of Housing and Urban Development. To meet these needs, land must become available, at reasonable costs and in diverse locations, to achieve these goals.

Land value inflation, the scarcity of land on the market for housing uses, and land of site character suitable to residential development within metropolitan areas, has been and is one of the primary problems affecting the cost, production, and location of housing.

Nearly 40 per cent of the land area of the United States is governmentally owned. Much of this land can and should be used for housing in the context of new cities and towns. Regardless of the concept of a housing product, land must be available. The public lands, located predominantly in the western states, offer a new opportunity for building a second America and to creatively solve some of our most pressing problems.

III. LAND FOR LIVING: THE PUBLIC LANDS

Within the eleven continental Western states, we have a vast resource of land -- land for living, as well as for open space, recreation, wildlife, animal production, minerals, watershed, and timber. The United States Bureau of Land Management, part of the Department of the Interior, administers about 178 million acres of land in these States. With the pressure of urbanization so demanding, it would seem rational that some of these Public Domain Lands should be designated -- in appropriate locations -- for use as sites for wholly new metropolises. Parcels of about 100,000 acres each could be set aside as new urban growth and development centers. If 60 to 80 sites could be found in just the western states, then only six to eight million acres out of the present inventory of 178 million acres would be converted to urban uses. This would leave 170 million acres for additional new cities, expansion of existing cities and towns, open space, conservation, and other appropriate activities.

During the next half-century, at least 100 new metro-cities could be built in diverse locations throughout the United States. They could be developed upon both surplus Federal Public Domain Lands and marginal, non-productive private lands in the West, the Plains States, the East, and the South.

The new cities could be planned for population sizes ranging from 500,000 and limited to a maximum of 2.0 million persons, and constructed in locations where land, scenic, water, resource, climatic and transportation characteristics would suggest their feasible and desirable development. At least two (2) new metropolitan cities could be begun each year during the next 50 years.

Fortunately, the vacant Federal Public Domain lands of the western states offer many potential sites where new cities could be developed at no cost for land acquisition. Consequently, many thousands of acres of Public Lands could be set aside for urban development and individual parcels granted to settlers who would construct homes, factories, businesses, and offices according to a comprehensive City Plan.

With a projected population increase of 150 to 200 million people during the next half century, a minimum of 100 million people could be housed in these new cities. This assumes that each new city will average about one million citizens each, and at a gross density of 10 persons per acre each city would average about 100,000 acres

in total land area. For those cities in the 500,000 population size class, about 50,000 acres would be required. For the largest new metropolis, approaching the 2.0 million upper limit, higher densities are assumed. A metropolis of this size would probably average about 15-20 persons per gross acre (say 12,000 persons per square mile -- about the present density of Washington, D.C.) and require about 150,000 acres.

Thus, the demand for public lands to serve the needs of well planned new cities would probably not exceed 10 million acres during the next half century. Out of the total inventory of public lands administered by all agencies in all states amounting to over 700 million acres, this is indeed a relatively small amount.

The Western States possess most of the available public domain lands as well as the prime scenery and recreational areas - including the National Parks, Monuments, Recreational Areas and National Forests. For example, nearly 50% of the land area of the State of California is in Federal ownership; this is typical of all the western states with some states, like Nevada, having over 85% of their land area in Federal ownership.

Some of the Federal public domain lands in the west, while not suitable for agriculture, would be ideally suitable for urban uses and thus converted from wasteland, grazing land, and forest uses into new city sites capable of providing homes for millions of people. In addition, much of our marginal and underproductive private farm lands, (instead of the one million acres of prime productive farm lands now being urbanized each year by metropolitan growth) could be put to urban uses thus preserving the best farm lands from destruction. This is most desirable in order to maintain food production at a high level to ensure the lowest possible food prices for consumers.

In conclusion, if we are to prevent and change the trends towards the ever increasing march of "megapolis", then these lands of the Public Domain can provide the answer.

IV. TOWARDS A NATIONAL URBAN DEVELOPMENT POLICY: GOALS AND OBJECTIVES

No one can seriously argue that our most important domestic issues do not concern urban affairs and urban areas. But it is this locational aspect of our economic and population growth which is in large measure responsible for our environmental and major urban problems. And if something isn't done in terms of charting a new policy concerning urbanization, at the Federal and State level, then our urban problems will grow worse and more difficult to solve.

We have all sorts of policies now, but mostly uncoordinated and not conceived as one overall unifying concept towards urbanization and the kind of economy which produces a metropolitan society. We have a policy to eliminate slums, and provide decent housing for all; wage war on poverty --- by treating the effects of poverty rather than the causes --- and the means and the costs are not yet clear; we have a policy to maintain Full Employment as declared by the Employment Act of 1946; we have a policy to maintain the family farmer --- at a subsidy cost of about \$5.0 billion per year; and finally, we have all sorts of policies for protecting and encouraging certain private industries --- homebuilding, railroads, air transportation, mining, cotton and corn production, petroleum production, etc. The point is this: considering the relative costs and importance of these other policies upon our national welfare, why not enact a comprehensive National Policy on Urban Growth, which in effect would create a "new urban frontier" as the focus for a new version of "Manifest Destiny" on this continent?

This proposed urban development policy program suggests Federal tax incentives, special financing legislation, coordination of public improvements, economic development programs, public land policies, and the special chartering of quasi-private and public Urban Development Corporations for the express purpose of acquiring suitable lands for the complete planned building of new major metropolitan cities in the population range of 500,000 to two million people. Under this policy, the objective would be to revise and integrate into one comprehensive and unified policy all existing Federal policies and programs. In particular, it would coordinate economic and taxation programs into a complete bundle of measures aimed at encouraging a major portion of the nation's population and development growth to locate in wholly new metropolitan cities. Private investment could be encouraged through the organization of consortiums of large firms expressly interested in the development of major new cities. Also implied by

this concept is a geographic location dispersion pattern which would attempt to create more than 100 new metropolitan cities throughout the nation at minimum distance intervals of about 100 miles on sites located on low cost marginal private lands and/or vacant Federal Public Domain lands under the jurisdiction of the Bureau of Land Management. An Urban Homestead Land Grant procedure could be used to diffuse land ownership broadly among settlers. The concept would minimize the urbanization of prime agricultural land and prime open space land.

Congressional legislation would of course be the first step in implementing this policy. The initial legislation should declare the policy and order an in-depth study to be made by all affected Federal agencies, the States, private interests, and localities. The objective of the study would be to find acceptable ways and means of achieving the goals proclaimed, examine the feasibility of the concept, and to designate future new city locations. In essence, the study would attempt to determine the most desirable future pattern of urbanization in the United States.

The goals and objectives of such a National Urban Development Policy should focus upon the design of new cities which serve human needs and as a program to build an economy oriented to the maximum diffusion of land and capital property ownership among all citizens. In effect, such a policy should declare:

"The United States of America affirms that its primary domestic goal is to become a civilization of magnificent cities; in achieving this goal, we will rebuild our present cities to a standard of excellence, check metropolitan and suburban sprawl, and build new metro-cities for our people throughout the land. In this process of city building, we will create a new economy --- an economy which will allow everyman to own productive income-producing property, and hence be economically and politically free. Certain lands now owned by the Government will be granted to individual citizens under the provisions of a new Urban Homestead Landgrant Act, in designated planned new urban areas. The objective of this policy is to create a new kind of urban civilization where all men can become affluent. This goal is designed to fulfill the truths enunciated by the Declaration of Independence concerning the right of all men to life, liberty, and the pursuit of happiness, in an urban and economic sense, and to fulfill the essence of the American Dream."

V. NEW CITIES AND THE PUBLIC LANDS: A NEW URBAN FRONTIER

The concept of building new cities upon the public lands can be characterized as a "New Urban Frontier", and offers an exciting opportunity for many innovations to be tried and tested for their validity -- not only for solving our problems, but for creating the best kind of new urban life possible. The ideas and theories of our great thinkers -- past, present, and future - could be implemented and put to the test of public acceptance in these new metropolises. We must explore new techniques and concepts in the fields of city planning, architecture, economics, local government, taxation, land policy, social policy, housing, transportation, and a host of other subject areas of concern demanding new thinking. The technical and social revolutions upon us will require revolutionary thinking in order to reconcile our traditional values and institutional arrangements with the realities of growth, change, and science. The new cities concept offers an outstanding opportunity for experimentation and innovation oriented to solving America's primary domestic problems.

The solutions to our problems and the establishment of new trends for greatness could, if such a program were imaginatively executed, result from the "New Urban Frontier" idea. First, the matter of costs offers an interesting perspective since it would actually be more economical to construct wholly new metropolitan cities than to attempt to completely rebuild all of our existing cities in a monolithic "total urban renewal" program. Although the National Planning Association a few years ago issued a study recommending a \$2,650 billion "Total urban renewal" program for the next 20 years, a reasonable estimate would suggest that we could construct over one hundred new cities designed for an average population of 1.0 million persons for an investment cost of about \$1,000 billion - much less than half of the requirements for a total urban renewal effort. In allocating both private and public investment funds for urban development, it is clear that new metropolises would be much more economical. This does not mean, however, that we should not continue to rebuild and revitalize our present cities; on the contrary, we should expand and improve our present urban redevelopment efforts as sound planning and economics prove valid.

The investment cost for building wholly new metropolises versus continued metropolitan growth trends and/or massive urban renewal deserve close examination. For example, an article in FORTUNE Magazine in September, 1966, estimated that it would require between

\$2.0 trillion and \$3.0 trillion in private and public investment to house the additional 140 million urban Americans expected by the year 2000, and to provide them with roads, schools, and places to work. This cost estimate is based upon a continuation of present trends of metropolitan growth and the current pattern of urbanization.

Massive redevelopment of our present major cities to a significant degree would be an even more expensive process as mentioned earlier. To illustrate the costs of "urban renewal," Professor Reginald R. Isaacs, Chairman of the Department of City and Regional Planning at Harvard University, estimates that the cost of razing a square mile of slum and rebuilding it for residential purposes is in terms of \$300 million per square mile! It has been estimated that there exists about 100 square miles of slums and deteriorated areas in the City of Chicago (that is about 1/3 of the total city area); to "urban renewal" only part of Chicago then would cost \$30 billion!

The National Planning Association, in a pamphlet entitled, "The Scope and Financing of Urban Renewal and Development Planning," proposes a national effort of total urban renewal action. To quote their report, which suggests a 20-year urban renewal program to rebuild our existing cities to "an acceptable minimum standard":

"Total requirements for urban renewal other than investments in private industrial plants may be estimated at around \$2,150 billion over a 20-year period. If...plant expenditures in urban areas are included, the total would rise by another \$500 billion. In order to attain the required level of expenditures, the average annual investment in urban renewal and development would have to run at over \$100 billion, or if we add industrial plants in urban areas, at around \$120 billion to \$125 billion."

If planned metropolitan growth and massive urban renewal occur together in our present megapolis areas, then the grand total cost of urbanization, according to conventional processes, is likely to be between \$4.0 trillion and \$5.5 trillion before the turn of the century.

A primary cost item for both renewal and metropolitan fringe growth is land -- and land for urban redevelopment projects is the most expensive. Cleared land in most urban renewal project areas, after acquisition, and site preparation, usually sells for a minimum of \$100,000 per acre to as high as \$1.0 million per acre. Raw suburban land, readily available for new development near the fringes of our major metropolitan centers typically goes for \$4000 to as high as

\$20,000 per acre. This price pattern is one of the major reasons for the fantastic suburban sprawl of the past 25 years.

A reasonable estimate concerning the investment requirements for building wholly new metropolises upon Federal Public Domain lands and/or low cost marginal private lands would suggest that the cost of developing new urban centers would cost about one-half that of metropolitan expansion and massive urban renewal.

First of all, if Public Domain lands are utilized, the land could be free. Land for urban development uses usually represents one-fourth to one-third of the total costs of development.

Secondly, land for all public services and facilities would be free -- no bond issues or special taxes would be needed for acquiring school sites, park areas, or rights of way for freeways, streets, and utilities.

Thirdly, each new city would be pre-planned for various land uses, community facilities, and transportation routes. This would provide many economies in the urban development process.

Finally, special urban development corporations would have the primary responsibility for actually building each project city. The economic advantages of modern technology, modern engineering and management techniques, and advanced planning concepts would provide more economies in the urbanization process.

The investment necessary to totally build a single new model metropolis for 1.0 million people under such conditions would amount to about \$10.0 billion.

It would seem that the economics of new metropolises as a National Urban Policy should be given serious consideration.

With the specter of 400 million Americans shortly after the turn of the century, most of whom (80% or more it has been predicted) will be living in our existing metropolitan areas, the logic of building new metropolises in areas not unpopulated, particularly in the vast open areas now available in the west, would seem to be a rational approach to accommodating population growth.

In addition, the building of large well-planned new cities could solve our transportation crisis since we would be dispersing the projected

increase of people and cars away from our existing metropolitan areas into new urban areas, designed for maximum transportation efficiency. The program would thus generate a competitive force to existing cities and metropolitan areas, which should greatly accelerate local action for massive improvement.

A new urban areas development program, if imaginatively executed, could create new cities where generous amounts of open space and parks, dramatic architecture, reasonable population densities, efficient rapid and individual transportation systems, sensible local governmental relationships, and advanced planning concepts would be in existence from the start. Instead of what we see around us now --- ugliness, chaos, and traffic-choked freeways --- we would have beautiful, orderly, and pleasant-to-live-in cities.

We could construct new urban areas of beauty, order, and variety, where individual self-expression could blossom, where urban life would be at a human scale, and finally put an end to slums, urban ugliness, bad architecture, urban sprawl, "slurbs", and inhuman living conditions.

A variety of city types could be built. We could build mountain cities, valley cities, desert cities, plains cities, river cities, lake cities, coastal cities, and plateau cities. They could be planned for various sizes, shapes, forms, and populations. They could become the metropolitan centers of various natural and political sub-regions, as well as social and economic entities. They could be the reality of tomorrow's promise.

The idea of building from scratch dozens of new and logically pre-planned beautiful metropolises in areas now separated from existing metropolitan areas by at least 100 miles of countryside, is a new concept in the course of American history. It has never been done before. In America we have never completely built one large city by logical plan from the beginning, although Washington, D. C. was originally planned.

There are a number of potential benefits which the new city -- "New Urban Frontier" -- concept, could produce for the nation as a whole, and the private sector of our economy in particular. If imaginatively executed, such a concept could:

1. Be one of the greatest achievements of the Western World and an expression of the viability of our civilization.

2. Restructure our economy and redirect the geographical dispersion pattern of industry, population, and transportation so that our productive processes will be situated in more widely scattered urban centers.
3. Increase the efficiency of our economy by adapting production to market areas rather than being tied to natural resource deposits or cheap transportation areas.
4. Create millions of new property owners, jobs, and entrepreneurial opportunities for our people --- so badly needed in order to solve the vast problems of unemployment and the income dilemma caused by automation and cybernetics. Millions of new jobs, profit opportunities, and other advantages would be created by such a policy for practically all sectors of our economy.
5. Put between six and eight million acres of Public Domain lands into urban use, and hence into the private ownership of millions of citizens through the use of the proposed Urban Homestead Land Grant Act concept.
6. Increase the demand for labor and reduce unemployment. The millions of new jobs which could be generated by the new city building process could produce an economic boom. Investment in such a program could well replace the vast sums spent on Vietnam, military overkill, welfare, subsidies, and other make-work or income redistribution programs, and provide a new mechanism for assuring economic growth and individual economic freedom and independence.
7. Decentralize the concentrated pattern of decision making now prevalent in our society. The concentration of economic power and political authority is a very real danger to political and economic freedom. Big government and big business directly and indirectly account for about 80% of the jobs, and nearly 70% of all productive activity of the United States is lodged in the top 500 corporations. The new cities

program with the attendant economic reforms could diffuse and distribute both economic and political power more widely among people as well as geographically.

8. Diffuse the ownership of capital property by creating opportunities for millions of citizens to become capitalists through the land grant and ownership financing techniques discussed later in detail in this paper.
9. Put an end to slums, urban ugliness, metropolitan sprawl, and inhuman living conditions.
10. Be a competitive force with existing cities and metropolitan areas. This competition would greatly accelerate action for massive improvement in all of our existing major cities, and slow their growth by attracting part of the present increases in population to new urban centers.
11. Create a rational pattern of urbanization in the United States for the next hundred years. Beauty, order, and variety could be the nature of urban life from the very beginning in each new metropolis.
12. Help to geographically distribute minority groups more evenly throughout the United States, and provide new "ground-floor" opportunities for the disadvantaged individuals of our society to fully participate in the economy through the new city building process.
13. Establish a better use of land pattern in America, and more effectively utilize and conserve our water, mineral, forest, land, and scenic resources.
14. Create new urban environments where adequate open space, splendid architecture, reasonable population densities, efficient multiple-mode transportation systems, responsible local governmental organization, and advanced planning concepts would be in existence from the start.

The "New Urban Frontier" idea in essence offers a new hope and a new challenge -- the kind of constructive challenge which could catch the imagination of the nation's youth and tap our human resources in an undertaking so vast that every citizen would benefit and become motivated in a cause for building a new America -- rather than destroying it.

VI. RELEVANCE OF THE 1862 HOMESTEAD ACT CONCEPT TO MODERN URBANIZATION PROCESSES

According to historian Harold Faulkner in his book, "American Political and Social History", if there is one factor above all others that has dominated American history, it is the movement of population toward the West.

As Faulkner says:

"Essentially economic as was this process, its effects can be seen in every aspect of our life.

Frontier life attracted not only the restless, but the energetic, practical, buoyant, and optimistic spirits...opportunities were everywhere at hand. Frontier life was also favorable to democracy. The settlers, no matter what their origin or race, tended to fuse into a composite type and to establish a democratic society...and a distinct American civilization evolved, not a New France, a New Netherlands, a New Spain, or even a New England, but a new nation and a new civilization."

Faulkner and other historians, notably Frederick Jackson Turner, have shown how for over 300 years an expanding frontier not only has influenced the psychology and the philosophy of the American people, but has also molded our economic and political history and institutions. The frontier West was the backbone of Jeffersonian and Jacksonian democracy.

The development of a land policy during the nineteenth century which culminated in the free land concept of the 1862 Homestead Act, the granting of 160 acres free to a head of a family or individual citizen, resulted in the settlement of the West and the transfer of ownership of nearly 225 million acres of land through the issuance of nearly 1.4 million patents between 1862 and 1926.

As the Public Land Commission appointed by President Theodore Roosevelt said in commenting upon the Homestead Act:

"It protects the government, it fills the state with homes, it builds up communities and lessens the chances of social and civil disorder by giving ownership of the soil, in small tracts, to the occupants thereof."

The key point of the 1862 Homestead Act concept was the idea that propertyless people -- families born without property or capital -- should have the economic opportunity to own land, and in combination with their own labor and capital instruments (tools, animals, machinery, etc.) became an independent economic unit in the context of a predominantly agricultural economy.

As pointed out earlier, the philosophy of universal land ownership -- a distinctly Jeffersonian idea -- is linked closely to the concept of universal suffrage. If you live in a private property society, the thing to be is a property owner -- private property in land and capital. The relevance of encouraging widespread ownership of property in all forms in modern urban America -- in an age of technology and vast new capital formation -- is crucial to the solution of our present domestic crisis, and offers a positive alternative policy to the Marxist and anarchistic revolutionary activity of some of our youth and minorities.

In the Soviet Union and Communist China, all land and capital is owned and controlled by the party dictatorship; in Latin America and certain African and Southeast Asian societies, all land and capital is owned and controlled by a few feudal landlords, oligarchic families and military dictators. In both kinds of societies, the vast bulk of the population is property-less.

In terms of modern urbanization and technological advance, that is, the acceleration of the employment of capital instruments in the production and distribution of goods and services, the Homestead Act idea of encouraging widespread ownership of private property among people is particularly relevant. Both the G. I. Bill and the F.H.A. program of loan insurance, and even the Small Business Administration Act have been oriented to the concept of diffusing the ownership of property.

However, except for the S.B.A. program, both the G. I. Bill and the F.H.A. program have been limited to residential property ownership -- that is, non-income producing property -- a home.

The significant kinds of property which produce income, and in fact pay for themselves, are commercial and industrial land -- urban land -- and the physical capital of machines, buildings, equipment and automated production systems.

The latter form of capital is predominantly represented by the capital

assets of the top 500 corporations. The corporate capital stock of these various enterprises is almost entirely owned and controlled by less than 10 percent of the population while the other 90 percent of the population virtually owns no significant amount of capital stock, according to Robert J. Lampman in his 1962 study entitled "Share of Top-Wealth Holders in National Wealth, 1922 to 1956"

In respect to the pattern of concentrated property ownership, as it existed in Europe, it is historically interesting to review what Karl Marx and Frederick Engels stated in their Communist Manifesto of 1848:

"You are horrified at our intending to do away with private property. But in your existing society, private property is already done away with for nine-tenths of the population; its existence for the few is solely due to its non-existence in the hands of those nine-tenths. You reproach us, therefore, with intending to do away with a form of property, the necessary condition for whose existence is, the non-existence of any property for the immense majority of society."

Thus it can be seen that the justification of Marx and the Communists generally in abolishing private property in land and capital was the fact that its ownership was concentrated in the hands of a few -- the bulk of the population being property-less, that is, proletarians. The supreme irony of Marxist thinking is that the State then should become the only capitalist -- the only owner of property -- thus making sure that 100 percent of the population OWNS NOTHING.

The American dream, the thrust of the frontier of the West (the Homestead Act of 1862), and the G. I. Bill and F.H.A., have set our goals exactly opposite: all citizens can have the opportunity to become owners of private property in land and capital, as well as home owners.

Although the majority of America's 80 million workers are buying homes or may own homes in fee, the fact is that virtually none of these workers own income producing property in the form of corporate capital stock, urban real estate, or proprietorship enterprises. In terms of economically productive property they are in effect still property-less proletarians.

In the urbanization process conceived as part of a National Urban Development Policy favoring the creation of new cities on the Public

Lands, a 20th Century variation of the original Homestead Act -- call it an URBAN HOMESTEAD ACT -- could create a "new urban frontier" which would open immense opportunities for millions of people to become private property owners in terms of urban land.

An URBAN HOMESTEAD ACT could grant free land (home sites, apartment sites, business sites and industrial sites) to individuals, families, entrepreneurs, and business organizations that would settle in these new cities. The HOMESTEAD ACT of 1862 was a progressive and historic part of our national policy designed to create a large class of landowners and economically independent people -- small entrepreneurs. Today, we are no longer a rural frontier society; we are a technological urban society. The political wisdom of having property ownership widely distributed among people in a democracy is well known. A "new urban frontier homestead act" could create millions of new private property owners. Millions of new jobs, profits, sales and business growth opportunities could also be created in practically all sectors of the economy.

The possibility for achieving the goal that every may should be a capitalist - an owner, an entrepreneur, a stockholder, a partner, and a co-owner of industrial, distributive and service enterprises - could be realized through the Urban Homestead Land grant system, equity purchase and financing plans, and many other new techniques for financing the acquisition of ownership in viable property estates by workers.

The widest possible ownership of income-producing property - real estate, stocks, bonds, businesses, etc., among the maximum number of people is necessary in order to solve the income-earning dilemma caused by the loss of jobs from automation, technology, and economic change. Thus opportunities for millions of "little people" to own their own business, or be their own boss would be created.

With an age of total automation arising in the future, the question of who shares in the ownership of the machines will be the most explosive issue facing the nation. The only acceptable way to solve this income dilemma is to provide legitimate ways and means for people to derive secondary incomes through private ownership rights in income producing property -- that is, capital instruments. This can be done, using the genius of our existing institutions.

VII. THE ECONOMICS OF NEW CITY DEVELOPMENT: PROPERTY AND CAPITAL OWNERSHIP FOR ALL CITIZENS

The economics of new city development, in the context of a National Urban Development Policy which designates certain Federal Public lands as urban development sites, should focus upon an economic structure which will assure:

1. Widespread urban land ownership among the citizens of each new city, via the concept of an Urban Homestead Landgrant procedure, and
2. Development of an economic base system which would focus upon creating two personal income streams to support the population: jobs providing viable wage and salary incomes, and equity incomes provided by ownership-participation in the new capital assets of the corporate enterprises operating within the new cities.

Louis O. Kelso and Mortimer J. Adler in their books entitled "The Capitalist Manifesto" and "The New Capitalists", and in Kelso's most recent book entitled "Two Factor Theory: The Economics of Reality", describe the theory and the practical measures necessary for implementing the economics of universal capital ownership.

The primary technique of credit widely used in our economy to finance the purchase of consumer goods such as automobiles, homes, and the like, can be applied to financing the purchase by families and individuals of substantial holdings of newly issued capital stock in American corporate enterprise.

As Kelso points out, the precedent of the G. I. Bill, F.H.A., and even the F.D.I.C. in providing loan guarantees, loan insurance and bank deposit insurance -- serve as proven, workable models to finance the purchase of diversified portfolios of newly issued corporate capital stock. The purchase of equity interests then becomes a problem of financing techniques and the establishment of policies and effective ways and means to insure such financing through the commercial banking system and the Federal Reserve system.

The approach is almost identical to the F.H.A. system, except that in the purchase of a home under F.H.A. the downpayment, interest, principal, insurance fee, and taxes must be paid by the buyer from his wages earned through employment.

Kelso proposes the creation of a "Capital Diffusion Insurance Corporation", (C.D.I.C.) either as a governmental agency like F.H.A., or alternatively through a syndicate of private insurance companies which would insure a loan made to a qualified individual or family wishing to purchase a diversified portfolio of newly issued corporate stock.

A commercial bank, as under the F.H.A. program, would loan funds to the family/individual to purchase the stock. The C.D.I.C. would charge a small loan insurance fee and guarantee the loan principal to the bank. The stock would be pledged as collateral for the loan, and the dividends received applied to the loan principal and interest payments until fully paid. The corporations issuing the stock would receive cash proceeds from the sale of the stock from the bank and invest those funds in new physical capital such as machines, equipment, plant, and industrial/commercial land in order to expand production, increase profits, and lower production or distribution costs.

As mentioned earlier, new capital formation is occurring at a rate of over \$60 billion annually, but the significant fact is that only about 5 percent of this new capital is financed through new stock issues. Close to 95 percent of the capital requirements of the economy is financed by retained earnings (profits earned, but re-invested in the business instead of paid in cash dividends to the stockholder-owners), depreciation charges and other internally generated funds, which are tax deductible, and through debt instruments such as long term bank loans, bonds, convertible debentures, mortgages, etc. The reason that these capital financing techniques are favored by industry are:

1. The interest cost on borrowed funds is tax deductible, as are depreciation charges.
2. The equity interest of the existing stockholders is vastly increased, but this equity buildup is paid for through the profits of the corporation. In addition, it increases the imputed market value of the stock and in the case of a stock sale, the stockholder may realize a huge capital gain under the favorable tax rates and tax treatment afforded such gains.
3. It creates no new stockholder-owners, who will expect

dividends to be paid on their investment, and who also may seek policy or management changes as voting stockholder-owners.

4. It makes it attractive to pay stock dividends to the existing stockholders, rather than cash dividends, thus in effect saving working capital and improving the cash flow.

The consequences of this kind of financing is the geometric concentration of the ownership of capital by a small proportion of the population which already owns most of the existing capital, and thus effectively freezes out 90% of the population in having an opportunity to legitimately buy, pay for, and own capital.

It also vastly increases the money wealth and income of the existing capital owners, who cannot possibly spend it all on consumption or consumer goods, but must continually re-invest their increased capital which in turn returns them even greater amounts of wealth.

Our economy of mass production depends upon mass consumption, and mass consumption depends upon mass purchasing power. The way to build mass purchasing power is to finance new capital formation so that the masses can buy, pay for, and own capital, and thus legitimately receive an additional income in the form of cash dividends.

The average well-managed American corporation earns about 20 percent profit annually on invested capital. However, about half of this is paid out in Federal and State corporate income taxes, and typically about one-half or less of the net profit after taxes is paid out to the stockholder-owners in the form of cash dividends. The other half or more is re-invested in the firm.

If, for example, corporation tax policy was such that if ALL earnings were paid in cash to the stockholder-owners, the corporation per se would not have to pay income taxes, the average stockholder would receive about a 20 percent annual return on his stock investment. He would also pay personal income taxes at the appropriate rate on his dividends received.

Under the C.D.I.C. financing plan described earlier, a typical worker could purchase \$20,000 worth of new capital stock; at 20 percent annual return -- about \$4,000 in dividends -- the stock

purchase loan, including interest and insurance fees, could be totally paid off in six to seven years. In effect, it is a self-financing capital investment plan. The result would be that the worker would own \$20,000 worth of capital, which would also tend to increase in value over the years, and receive a minimum income of \$4,000 annually in the form of dividends -- thus increasing his purchasing power. This then should be the American way to build mass purchasing power to support mass production, and the way to distribute private property ownership widely. This is the economics of new city development: a technique to provide property and capital ownership opportunities for all citizens, and thus lead to eventual general affluence and fulfillment of the American Dream.

As Louis O. Kelso and Dr. Mortimer J. Adler assert in their book "The Capitalist Manifesto", the economic goal of America should be for every man to become a capitalist. To quote them:

"One of the guiding aims of the capitalist revolution is that all men should become capitalists, owners of viable capital estates, as early in their lives as possible. The more advanced the technology of our economy becomes, the earlier this should become possible for all men, or more exactly, for all households."

VIII. LOCATION CRITERIA AND WESTERN DEVELOPMENT

One of the major objectives of the "new urban frontier" idea is to continue the historical westward movement of the population. It is in the context of developing new cities in the west -- on public lands -- that western development can be encouraged and the location pattern of urban growth directed.

Consequently, we should begin with an evaluation of our present natural resource base and its potential utilization as focal points for human settlement. This would be coupled with an analysis of future resource demands as exemplified by prognostications of future population levels and future levels of living standard goals and desires. A geographical dispersion pattern would then be established as related to these goals, modified by the existence of favorable climatic environments, favorable resource, land, water, recreational and scenic environments, and the locational availability of Federal public lands for use as new city sites. Fortunately, most of the necessary research and prognostication has already been performed by various research organizations and governmental agencies.

Logically then, the determination of the regional location and actual city site areas should be based upon the following criteria:

1. The availability and suitability of surplus Federal Public Domain lands, primarily in the West and ALASKA, under the jurisdiction of the Bureau of Land Management or the U. S. Forest Service. Otherwise, lands that are presently in marginal agricultural or other use or Indian Reservation land where appropriate in location. Sites in the Western States should include large acreages ranging from 25,000 acres to 150,000 acres in contiguous parcels. Surplus Department of Defense lands should also be considered as possible sites for new cities.
2. Availability of potentially productive farm lands within a 100 mile radius for local truck, garden, livestock, poultry and dairying activities to serve the basic food needs of the population with a minimum of food importation thus being required.
3. Location in an area which would qualify each project city for the maximum use of all existing Federal Aids, grants, subsidies and related programs.

4. Proximity to interstate and national highways, main railroad lines, major pipelines and power transmission systems and air transportation potential for the Boeing 747's, and future super-sonic aircraft.
5. Soil and geologic conditions suitable for urban development and requiring a minimum of grading, blasting and engineering for ease of construction.
6. Availability of water resources or potential water resources - surface, underground, or other - within a supply area of 100 miles radius, if feasible. In certain locations, water importation from distant sources might be required. Domestic water importation should not be considered a major constraint since Los Angeles has been importing water from over 300 miles for 50 years, and the entire Southern California area will soon be receiving Northern California water originating some 700 miles to the north.
7. Availability of railroad, highway, truck, water, and air transportation facilities and service routes. Obviously, the future development of new forms of aeronautical, surface, subsurface, or suspended transportation systems would diminish the importance of our present transportation modes in terms of being a key factor in determining new city locations. In any event, an integrated national and international transportation network would be desirable. Ground Effect Machines, or the "Hover-Craft" may make cities on the Great Plains just as accessible to the world as seaports such as New York and San Francisco. Air-trains and the vast development of air cargo craft and ground support facilities in the future will make urban settlements economically feasible almost anywhere.
8. The geographical dispersion pattern and its relationship to the natural topographical and physical features of the selected site region. The maintenance of at least 100 miles of open country between these new cities should be attempted in order to maintain their physical separation and to prevent the development of future urban sprawl. The new cities should be physically contained so that "scatteration" and sprawl can be eliminated as an urban development pattern.
9. Living appeal of the region in terms of desirable climate, scenery, recreational opportunities, open space, wilderness

areas, etc. Living amenities could be a major factor to consider in new city location. However, different people like different climates, scenery types, and recreational pursuits, so cities could be located in a variety of amenity situations, ranging from desert areas to high plateaus or mountainous areas.

10. Economic development potential and adaptability to a national economic growth policy. The national economic growth policy would be the key item, since economic growth, job opportunities, and business - industrial development stimulation would obviously be of primary significance in creating these new urban areas and in attracting and supporting the population. Also to be considered in terms of economic development would be the natural resource base, including forests, minerals, power, and fuel potentials existing in the regional site area.
11. Appropriateness of the site for the establishment of major industrial, educational, administrative, scientific, medical, and communications facilities, including defense and aerospace facilities developed by private firms and organizations contracting with the Federal Government.
12. Land use potential in terms of the suitability of the geologic structure and site area soils for urban development with a minimum of construction costs and hazards from potential natural calamities. There is no need to build cities where earthquakes, floods, or other such disasters might be expected.
13. Variable terrain features, from level to steep slopes, to construct various building systems, provide good drainage, and gravity flow water distribution and sewerage disposal systems.
14. Favorable location of existing small towns desirous of growth and offering a potential for expansion into new metropolitan centers. There are literally hundreds of small communities of under 10,000 population in the West that are surrounded by public lands that would be excellent areas to encourage planned urban growth. The advantage of an existing small community which has a history, a business section, houses, etc. is that it provides the nucleus for planned growth and an operating, if simple, local governmental structure. It is clear that several of the new metropolises of tomorrow could be developed around an existing small town.

These criteria then, should be the major factors involved in site selection and the National Urban Development Policy planning process. Other factors to be considered would be the integration of all plans, projects and development actions of the Federal and State governments coupled with the establishment of coordinated policies and incentives for actual development.

Public works programs, reclamation projects, power and resource development projects, conservation programs, and other governmental and private development actions should be coordinated with and be a part of the total planning and development efforts focused upon the new cities development program.

Tax policy, housing policy, land policy, financial-fiscal policy, public works, federal aid programs, and other federal social-economic and legal policies should be coordinated, improved, and adapted to implementing this national urban development policy program.

Presently, we have a vast Federal bureaucracy and numerous programs administered by several departments oriented to single-purpose planning. Typically, each program is managed in a policy void and the agency involved is unaware of the impact that their actions have on other agencies, states and sectors of the economy. All the states maintain additional departments and programs with similar policy voids without a clear conception of the total picture and consequence of such programs and actions.

What is required for effective action is cooperation and coordination within a framework of national policy planning, aimed at resolving our problems and achieving the solutions.

Although much research, analysis, thought, and study needs to be done in order to finalize the total plan for such a National Urban Development Policy Program, a starting point is needed. After an analysis of the factors and criteria mentioned previously, a possible new cities location plan has been prepared by this writer.

The following map of the United States illustrates the "new urban frontier" concept, and shows the tentative general locations that it is felt would be desirable and feasible sites for over 100 new cities. The map shows the physical relief of the United States, the Interstate Highway System, and existing or rapidly growing metropolitan or urbanizing areas of the United States. The location

pattern of these proposed new cities is superimposed upon the map.

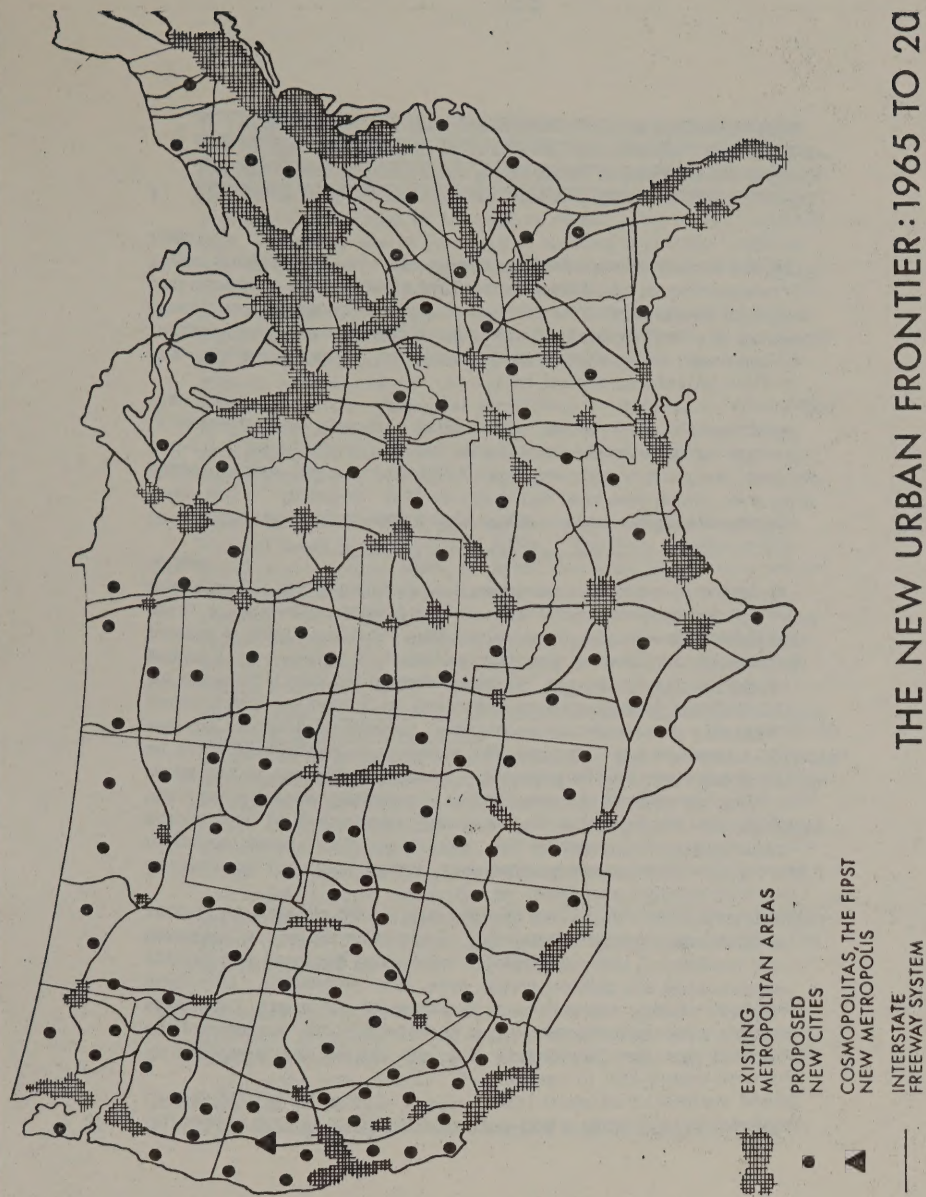
The initiation of this new cities program should be timed to coincide with the population growth occurring in the various regions of the United States. For example, the population of the United States increases by about 3 million persons each year. Certain regions and states, particularly in the West, are growing at rapid rates. Therefore, those states and states adjacent to those with rapid population growth rates should have first priority for the new city program. The first region, obviously, would be the Pacific Coast States - California, Nevada, Arizona, Oregon, and Washington. Then would come the Intermountain and Southwest States - Utah, New Mexico, Colorado, Oklahoma, and Texas. The next logical region would be the North Intermountain West States - Idaho, Montana, and Wyoming. Following these states would come the Great Plains States - North and South Dakota, Nebraska, and Kansas. The next logical area would be the South - Florida, Georgia, Alabama, Mississippi, Tennessee, Louisiana, Kentucky, South and North Carolina, Virginia and West Virginia. Following these states would come the Midwest, the East, and New England.

Because of our rapid population growth at the national level, and particularly the growth rate in our existing metropolitan areas, at least 2 new cities could be started each year - totalling 100 or more wholly new metropolises during the next 50 years.

In total, 33 new cities are envisaged for the Pacific Coast States, 42 new cities for the Rocky Mountain States, 13 new cities for the Great Plains States, 7 new cities for Texas, 12 new cities for the South, 7 new cities for the Midwest, and 6 new cities for the East and New England, or a national grand total of 120 new cities -- excluding Alaska and Hawaii.

These new metropolises, if built over the next 50 years, could house more than 100 million people if they each averaged a population of one million. With proposed maximum ultimate population sizes ranging from 500,000 to 2,000,000, such an average would seem to be reasonable.

The prime aim of this program is to create new metropolitan cities in new regions, only pre-planned from the start and with physical and population size limits imposed.



The problems of air and water pollution could be substantially reduced by dispersing industry and population into new cities primarily in the western states. Of course, stiff controls and safeguards would have to be established at the start of each new city in order to prevent smog and water pollution. This is particularly significant in the western states where water resources are limited and the most effective use of the available supply is mandatory for the West's future development.

Serious water shortages exist in the western states today, due primarily to the demands of irrigated agriculture. It is more economical and sensible to use these water resources more effectively in an urban-industrial use than in agriculture. A new cities program would most efficiently utilize the water resources of the west, whereas continued reclamation projects for the expansion of irrigated farming would use the limited water resources least efficiently. Thus the "New Urban Frontier" program could establish a better use of land pattern in America and more effectively utilize and conserve our water, mineral, forest, land, and scenic resources. At the same time, it would locate new population centers adjacent to the great scenic and recreational assets of the west. Today, most of our people must drive across the country on two-week vacation jaunts in order to enjoy the beauty of western America. Why not build new cities close to our great scenic and wilderness areas and other great open spaces, so that more people can enjoy them?

The realization of the actual building of these new cities will require a tremendous amount of planning, governmental initiative, private investment, government investment, and coordination among the various sectors of the private economy and local units of government. The task presents a tremendous challenge. But history proves that the contemporary impossible becomes the normal thing of tomorrow. If the merits and benefits of the concept make sense, then the United States can, in a wave of noble deeds, succeed in this response to challenge. As Lewis Mumford so nobly asserted in "The City in History":

"The final mission of the City is to further man's conscious participation in the cosmic and the historical process."

Perhaps the "new urban frontier" idea can be the catalyst to fulfill that mission.

IX. IMPLEMENTATION TECHNIQUES AND THE URBAN DEVELOPMENT CORPORATION CONCEPT

To implement and realize the "new metropolis" plan will require a comprehensive, integrated, and multi-dimensional urban systems approach. There are questions of law, custom, "human nature", sociology, economics, and many others beyond the mere technological and planning processes. Implementation techniques are necessarily subject to political and philosophical precedents; in short, the world of ideas is crucial to any system of implementation.

In realizing the goals of the "new urban frontier" idea, much study, research, legislation, leadership, and organization for effective action must be performed. The first step would be the enactment by the United States Congress of appropriate legislation for the initiation of the policy program. Included in this legislation would be the appropriation of funds, a declaration of the necessary policies, and the mandate for action. Provisions for social and economic experimentation should be included, as well as a policy declaration for creating a new capitalism - that is, aiding the evolutionary process for eventually having all citizens become capitalists and private property owners. Preparation of a final new city location plan, a national economic growth plan, and preparation of the total development plans for each city as programmed, would logically follow.

Actual development of these new cities could be effectuated in many ways. However, it is felt that the best way would be a joint Federal-State-private enterprise endeavor. Once the final location and sites have been selected, and the development plans for each programmed new city have been drawn, actual development could then start.

The "ways and means" of achievement conceived by this writer include several action programs, policy declarations, and technical procedures designed to achieve the goals and objectives for urban and economic development previously discussed in this paper. These suggested "ways and means" include the following possibilities:

1. Enactment of an Urban Homestead Land Grant system for granting ownership to homesites for families and individual settlers, and for the development of business, commercial, and industrial enterprises by individual businessmen or business firms

according to a comprehensive City Development Plan and under proper provisions which will require a quality type of development in the content of good urban design, architectural expression, and innovative site design. This act would apply to Federal Public Domain lands designated as sites for new cities. The lands would be granted for various uses under strict deed restrictions as related to land use, density, architectural character, and general urban design quality. The land grant would set up a system of land use and aesthetic control far more meaningful than currently available through zoning or subdivision regulations. Title to the various land parcels would be conditional upon actual development and use, and not conveyed until a building or other physical improvements as designated by the Master Plan were actually constructed and in use for a certain period of time.

2. Establishment of a "grubstake" venture capital financial organization or Capitalist Economic Development Foundation which would finance new enterprises on a joint participation in profits basis rather than on a loan basis until the original advanced funds are repaid. This new type of institution, chartered and regulated by public authority, would operate on principles similar to the "grubstake" system of the Old West. Its primary purpose would be to finance the risky and new enterprises which individuals settling in these new metropolitan cities may wish to engage in -- thus creating new entrepreneurial capitalists. The major objective of this new financial institution would be to finance new businesses within the new cities by those pioneering settlers interested in moving to and building outstanding new urban settlements. The creation of a new "small business" economic base would be essential to both the philosophy and the practical achievement of the "new urban frontier" concept. Funds for such an institution could come from foundation grants and tax-deductable gifts from wealthy families. All cash received by gift, grant, and capital return would be re-invested to finance additional new enterprises or the expansion of existing enterprises.

This institution would finance or "grubstake" individuals and groups of individuals in the development of new enterprises. It would provide financial capital to such people as new businessmen, inventors, writers, scientists, artists and literary people, professional people and small business men on the basis of participation in expected future profits. Participation

in profits, based on the "grubstake" concept, would provide the returns to "loaned" financial capital instead of interest. Losses sustained in such a "grubstake" procedure could be tax deductible to those giving funds to the foundation, while profits shared would be taxable at normal rates. This institution, however, would be required to keep investing funds in new enterprises. Earnings that would accumulate would be continuously re-invested in such activities in order to provide a continuous flow of funds to finance "new entrepreneurial capitalists". In effect, a revolving fund of financial resources would be created for assisting the City's new citizens in becoming businessmen or owners of income-producing private property. Such a financial institution -- perhaps a "foundation" in legal organization -- could be one of the most important innovations in the American economy in terms of its long-range social and economic consequences.

3. Creation of a Capital Diffusion Insurance Corporation at the Federal level (See Kelso and Adler, "The New Capitalists") which would insure loans made by financial institutions which authorize loans advanced to workers and other qualified present "non-capitalists" for the purchase of viable income producing security portfolios consisting of diversified stocks, bonds, mortgages, and real property instruments designed to create many new capital owners. Its function would be to assist those who do not own income producing property and particularly corporate stock, to participate in wealth production as owners of income producing capital. In other words, this government insurance corporation, similar in concept to F.H.A., would guarantee loans made to new city residents for the purchase of substantial blocks of new stock issues through the commercial banking system. All citizens moving into the new cities would be eligible to purchase diversified portfolios of new stock issues authorized by those corporations locating facilities within the new cities, and thus become stockholder-share owners of the various corporate enterprises creating the economic base of the new cities.
4. Encouragement, through proper legislative policies and tax policies, of profit sharing and equity sharing plans in mature corporations which establish plants, offices, and other facilities in the new cities. The purpose of this policy program would be to provide supplemental incomes to workers based upon worker productivity and hence profitability of the enter-

prise, as well as serve as a technique to fund retirement plans, accumulate a capital estate, and generally increase consumer purchasing power.

Studies have shown that a combination of cash and deferred profit sharing plans are the most effective as an incentive to worker efficiency, productivity, and loyalty. The receipt of at least half of the profits shared in cash provides the worker with additional spendable income and direct evidence of the advantages of working for better profits. The deferred plan, where funds are invested in a diversified portfolio of growth stocks, high yield bonds, and real estate trusts, provides the worker with an ever increasing capital estate and a sense of income and social security -- income for early retirement either due to age, health, or unemployment as a result of technological displacement.

5. Coordination and a redefinition of all Federal programs and aids for best achieving the goals of the plan, and avoiding duplication, or overlapping functions.

All of the various 400 or more current Federal programs bearing upon urban, economic, and social affairs should be streamlined, and in addition to serving present cities, coordinated for the development of the New Cities. Grants-in-aid for open space, schools, transportation, planning, economic development, welfare, and a host of other programs could be completely revised and changed in order to provide assistance to the development of the New Cities -- as well as the renewal of our old cities. Water, power, conservation, highway, and transportation policy formulations for implementing the plan should also receive a close degree of coordination and a new focus.

The North American Water and Power Alliance Plan proposal is one such program currently being studied by Congress; should this continental water plan or something similar to it be enacted, it is clear that it should serve the needs of New Cities in the West. In addition, we should relate the National Interstate Highway program to the location and service of New Cities, as well as develop New Cities near the new highway system. Similarly, rail transit routes, and particularly the National Airport Plan should also be related to the development of New Cities.

Our conservation planning, in terms of resource development and the designation of vast land areas for conservation, should also be related geographically and policywise to the "New Cities" plan. New National Parks, recreation areas, wilderness areas, watershed protection areas, and other conservation programs should fit in with the locational pattern of the New Cities so that more people will benefit from these precious natural assets. With proper planning, there is no conflict between conservation and sensible new urban development. New Cities and conservation could go hand in hand as a sound approach to our overall national environmental problems.

In addition, Federal policy coordination of all housing, urban development, financial, poverty, man-power training, area development, small business development, and other related programs should focus upon the most feasible and optimum combination of measures for achieving the goals of the New Urban Frontier concept.

6. Creation of A LIFE EXPECTANCY RENEWAL FUND, or a sinking fund to depreciate the replacement cost of buildings for automatic private "urban renewal". Upon the issuance of a building permit, the estimated life expectancy of all buildings within each new city would be determined. If a structure should have a 50 year life expectancy, 1/50th of the estimated future replacement cost (less 6% compound interest earning assumption for such funds which would be deposited in a municipal trust fund for continuous investment in public improvements and mortgages) would be required annually from all owners. These replacement funds would be part of the value of the structure, so that ownership would transfer from owner to owner in fair exchange value. This fund could also be used for periodic maintenance and remodeling. The advantage of this is that: (a) all private structures would have a time limit on their existence, (b) the money for replacement would be automatically accumulated for each owner -- at a fair rate of earnings in a trust fund (c) continuous private renewal would take place, thus eliminating the need for future Federal urban renewal or slum clearance projects. Thus, funds accumulated for maintenance and eventual renewal would provide a source of money to finance public improvements serving all property owners. In addition, the eventual replacement use on the particular site would be open and determined at the time of eventual replacement in accordance with market demand and city planning policy at that time. In essence, this plan would

be like a life insurance policy or annuity retirement plan for buildings.

7. Replacing our present system of annual property taxes with a local system of graduated capital gains taxes - primarily levied upon land and real property capital gains. A graduated scale geared to the magnitude of capital gain realized either through sale or trade could provide local revenues for financing the necessary and proper functions of government at the local level. A graduated capital gains tax ranging from say, 10% to 75%, depending upon the magnitude or the percentage gain, would discourage speculation, tax unearned increments of real estate value appreciation rather than productive outputs of wealth, and tend to maintain the price of real estate at a lower level. By controlling urban land value inflation, the incentives for suburban sprawl would be checked, and the necessity for overcrowding the use of land because of its high acquisition cost could be ameliorated. The graduated real estate capital gains tax system would also have the effect of discouraging excessive capital wealth accumulations based on unearned increments of land value appreciation and of encouraging a diffused ownership pattern of real property and productive capital estates.
8. Formation of a functional educational system, as a specialized program in addition to the normal educational system, oriented to teaching the skills of making a living and adapting to a new urban environment.

Such a school system would train people how to be businessmen, how to build a house, how to acquire a saleable vocation for a good paying job, how to develop civilized skills for city living, how to manage money and investments, etc.

Coordinating and developing new educational programs along these lines, and dealing with "poverty" immigrants to the "New Cities" would be one of the most important factors in terms of social and economic planning. The poverty settler, given the "Homestead Land", the house plan, and the "sweat-equity" procedure for home-ownership, must also be given the values and the knowhow for living in a city, and the skills for either obtaining a good paying job or for going into business for himself. And, if the other programs, i.e., "grubstake", or "new capitalist" finance plan are to work effectively, the people involved must be educated for utilizing such a plan to maximum

personal, financial benefit. This requires a comprehensive educational and social development approach, which should also have the enthusiastic participation from banks, real estate interests, brokerage houses, and other private interest groups involved in finance, investments, and property management.

9. Legislation providing for the comprehensive and precise planning of the various New Cities, defining their ultimate geographical size and population size, requiring urban containment through the use of State zoning, scenic easements, conservation laws, deed restrictions, regional development policies, and enacting land controls around them for urban separation. This would be a most important policy program designed to restrict growth and expansion of the "New Cities", and to contain them within fixed geographical limits. The idea is to create new cities which will achieve a maximum size -- not grow and grow ad infinitum. If we are to control the growth of "Megalopolis", we must develop a means of building New Cities which will not become the "Megalopolises" of tomorrow. Growth must be controlled; growth beyond a certain point is not necessarily good or desirable for any given city; a city or a metropolitan area can become too big, too costly, and therefore unlivable. The control of urban growth, then, is one of the most important policy decisions facing our society. In nature and within the universe, every living thing and the stars, planets, and other heavenly bodies all have a fixed, maximum physical size related to their form, function, and requirements for existence.

Growth is not a continuing process in nature. Man himself only grows to a certain fixed physical size. This is true for all forms of life on earth from the microscopic single cell organism to the elephant. And as far as is known by science, neither the earth, moon, sun or the planets have or are growing in mass and physical dimensions.

True, we have a geometric growth rate in the number of human beings: this is now widely acknowledged as an undesirable trend which could -- if uncontrolled -- destroy the existence of the race. Growth in size or numbers ad infinitum is recognized as a threat to human existence. In the urban environment, growth in numbers and physical size must be limited to a certain maximum. The desirable kind of growth is economic and social, and oriented to the individual in terms of knowledge, affluence,

relevance, and the meaningful life.

10. Enabling legislation for the chartering of special "Urban Development Corporations". New city building companies would operate similarly to public utility companies. Their profits could be regulated, and the ownership broadly diffused among citizens.

These corporations should be privately financed and owned, by a broadly diffused stockholder group composed mainly of future citizens of each new city. Such corporations could be granted the power of eminent domain for a public purpose. The Urban Development Corporations (U.D.C.) could be charged with developing and precisely planning the new cities, constructing buildings for sale or lease, and operate as prime contractors if such is found to be in the public interest.

In addition, special tax incentives and other economic development policies could be enacted in order to induce private industry to locate plants and facilities in the "New Cities".

The Urban Development Corporation (U.D.C.) could be chartered and organized by a "Consortium" of major industrial, trade, housing, financial, and construction corporations, along with Government action and guarantee financing, or as a separate corporate entity chartered by the States involved. Regardless of the particular legal and financial framework, it is clear that American industry must be involved whole-heartedly in the "New Metropolis" policy. American industry, when called upon, has responded to a variety of national challenges. They will respond to a new domestic program of urban development given the proper incentives, governmental legislation, and public support.

Housing is now a major focus of the Department of Housing and Urban Development. Several private consortium groups have been selected under "Operation Breakthrough" to produce low cost housing in volume. These various housing system groups in association with related product organizations, financial firms, and industrial and other companies interested in urban problems and diversification could be the initiators of such a corporation. This originating consortium could own 51% of the stock issued, and the balance of 49% could be sold to participating settlers (citizens) of each new city. The objective would be two-fold: involve American industry in the project

with profit-making opportunities yet allow the citizens to buy and own a major share of equity rights. In effect, this would give the people a chance to own a "piece of the action" and derive secondary income sources from capital ownership.

The U.D.C. organized for the development of each new city might be formed, chartered, and initially financed by as many as 50 major corporations operating in various sectors of the economy, and pledged by contract and as investors in the U.D.C. to locate plants, offices, and other facilities -- job generating facilities -- in the new cities. They would also be contractually committed to financing new capital requirements by the C.D.I.C. plan discussed earlier, and also to provide a combination cash and deferred profit sharing plan in their own operations outside the U.D.C. For banks, insurance companies, mutual funds, pension trusts and savings and loan associations, the securities of these urban development corporations (U.D.C.) could be declared as first class investments by national policy and have a financial status equal to treasury notes, U.S. Government bonds, "blue chip" stocks, and other instruments. However, ownership of the stocks by institutional investors should be limited -- say, to a maximum of 2% by any one institution, bank, corporation, trust or individual.

It would be wise to have the stocks and bonds issued in small denominations (say \$25) in order to allow the maximum opportunity for citizens to invest and purchase outright fully paid-up shares in the new cities development, and thus become "capitalists." The long term financing of major investment purchases of these stocks by new city residents could be set up on a basis similar to our insured F.H.A. mortgages on homes. For example, acquisition of a \$25,000 stock investment in the urban development corporation by a \$6,000 per year salaried working man could be financed out of future savings, and profits, using the C.D.I.C. technique as developed by Louis O. Kelso.

Credit policies created through new legislation and backed up by the Federal Reserve System through the commercial banking system would loan money against the \$25,000 stock issue, with payments over a certain fixed period of years at normal bank interest rates. U.D.C. profits would be fully paid out in cash each year to the stockholders. During the stock purchase financing period, these dividends would be pledged to the payment of principal and interest until the obligation was liquidated.

Any Federal stock ownership in these urban development corporations required in the beginning phases of operation could be phased out over time and revert to the local citizens through sale or grant. There are various detailed ways that such a corporation and development relationship could be established. These details can be worked out satisfactorily by others more proficient in financing techniques and in legal technicalities.

The primary advantage of a consortium of private enterprises in forming the Urban Development Corporation would be the provision of a unified management structure, with the necessary talents and experience. In addition, the declaration of the purposes, functions, goals and operating procedures established in the articles of incorporation, plus contractual obligations of each participating firm, assure commitment to the total economic, social and physical environmental goals of the "new urban frontier" concept as could be defined in congressional legislation creating the National Urban Development Policy.

The Urban Development Corporation would, of course, be the developmental entity organized to build each new city. In addition to its prime planning and physical/environmental development responsibilities, it would also have prime economic development and marketing responsibilities including the attraction of additional private enterprises and industries, and the recruitment of the new population. The U.D.C. itself would become a major employer, and many of the urban services and house-keeping services traditionally performed by special districts, local government, special authorities, or commissions could be provided by the U.D.C. at cost plus a nominal profit in the context of user charges. With all new city residents becoming stockholder-owners of the U.D.C., the incentive of the management team would be to provide the highest level of service at the least cost to the consumer, yet at a reasonable profit on invested capital.

Upon ultimate development of each new city, the capital stock originally subscribed to by the consortium of business corporations could be re-sold to city residents. Over time, the function and purpose of the U.D.C. would change from being a city building - economic development - promotional organization to a citizen serving organization concerned with maintaining the urban capital infrastructure, the provision of utility and municipal services, and maintaining a high level of economic and social amenity. Thus the articles of incorporation and charter of the U.D.C. should define

the changing functions over time and have provisions for the orderly restructuring of its ownership pattern. Enabling legislation should clearly declare such changes as a policy requirement.

X. THE ROLE OF THE STATES

The role of the various States in any such National Urban Development Policy would be crucial to the overall feasibility of the program, and most essential for returning to the States their rightful responsibilities for creatively meeting the needs of the American people. In fact, the States should play a primary role in developing ways and means of achieving the plan. In meeting their obligations and responsibilities, the various States in response to Federal policy legislation should consider the following action programs:

1. Preparation of State Development Plans locating the general site areas for the development of New Metro-Cities. This would include a declaration of a State Urban Policy in favor of such a program.
2. Preparation of State Lands Policies which would coordinate Federal Public Domain land policies concerning urban development, as enacted by Congress.
3. Special legislation which would allow experimental concepts in land and property taxation at the local level, new forms of local governmental organization, experimental programs in housing and financing urban development or redevelopment.
4. Legislation providing for the special chartering of URBAN DEVELOPMENT CORPORATIONS, to be regulated similarly to public utilities and given the power of eminent domain as mentioned earlier.
5. Legislation requiring the coordination of all State programs concerning freeway routes, water development plans, power and reclamation projects, conservation measures, and the location of State facilities and higher educational institutions in relation to the designated locations of the various New Cities.
6. Enactment of special State tax inducements, including income, property, and personal property, which would encourage private enterprise and individuals to settle in the designated New Cities and assist in encouraging the growth of a viable economy.

7. Coordination of State aids and subsidies, which would give assistance to newly developing Metro-Cities.
8. Creation of parallel programs suggested for the Federal government, concerning the new "capitalist grubstake" insurance corporation, based in principle upon the idea of the grubstake system of the old frontier.
9. Legislation providing for the organization, at the local level, of municipal life expectancy renewal trust funds, where monies calculated to accumulate the replacement cost of all buildings erected in a city would be deposited and provide for continuous maintenance and renewal on a private basis.
10. State legislation for taxing land capital gains within the New Cities as a means for controlling growth and for recapturing the benefits of governmental investments for local public good.

In summation, the role of the various States should be that of an active partner in the context of National Policy, involved in the day to day actions for implementation and serving as a dynamic link between the private sector and the Federal program.

XI. A SCHEMATIC CONCEPT OF AN OPTIMUM CITY: COSMOPOLIS -- A PLAN AND A DESCRIPTION

The art and science of planning cities in both physical/environmental terms and in relation to human needs -- that is, the social and economic structure -- has undergone vast changes in recent years. However, one thing has remained crucial to city planning: that is the need for a plan. A plan is needed for most human endeavors, and if we are to build new cities, it is clear that to do so intelligently, a plan is required.

As the famous Chicago City Planner, Daniel Burnham, said over 50 years ago:

"Make no little plans; they have no magic to stir men's blood and probably themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with ever growing insistency. Remember that our sons and grandsons are going to do things that would stagger us. Make your watchword order and your beacon beauty."

One of the reasons behind America's present urban crisis is the fact that during the past 50 years we have proceeded in the process of urban development with no plan, or if there was some planning involved in creating our present situation, it was a little plan rather than a big plan.

Dr. Alvin Hansen, Professor of Political Economy at Harvard University declared in a paper he wrote which was published by the Committee for Economic Development a few years ago:

"The United States having reached the automation age of technical progress can afford to relegate material goods to a secondary role. It can afford to build urban communities that measure up to the great values which the knowledge and experience of the ages have pronounced good."

To build new urban centers in the context of the great values pronounced good over the ages, requires a big plan which attempts to create the optimum metropolis.

Optimum in the context of urban form, size, and three-dimensional configuration for a city means different things to different persons. In the physical sense as related to the design of a city, the optimum concept could be defined as providing order, efficiency, and geometry as a macro-urban system, with variety and individuality for the component sub-systems and micro-environments. The urban form and environment of the optimum city emphasizes order and efficiency as a total structure, beauty and variety within its sub-structure and component parts, and liveability at the household level.

Within this definitional framework, the optimum metropolis can be characterized as the concept of "Cosmopolis". The concept of the "Cosmopolis" is that of a unitary cosmopolitan central city, conceived in the Space Age, with finite limits.

Its general plan and urban form is derived from those physical relationships embodying the patterns of the cosmos, the solar system, the molecular order and the atomic structure. It represents an ordered system, embodying predictability and a constant pattern.

It is a universal city with a maximum population of two million citizens, but a citizenry of universal capitalists. Its economy would be organized upon the principle of viable private property ownership for all, equal opportunity for all to participate in the ownership of capitalistic production, and hence economic and social justice. In short, it is a city of universal affluence.

The optimum plan within the concept of Cosmopolis would be designed to allow for maximum efficiency in the movement of goods, people and services including communications, with the minimum cost for capital improvements, land development, and environmental systems within the guidelines of high environmental quality, economy and aesthetic design goals.

Based upon these broad planning criteria, the optimum plan would include several elements or sub-systems, including:

1. Maximum territorial and population capacity limits.
2. Density of daytime and night time populations by district.
3. Land use and land ownership/leasing pattern.

4. Volume, mass, and height profiles for the whole city and component sections.
5. Transportation plan, designed as a multi-model interfacing system with a variety of surface, sub-surface, elevated, and aeronautical vehicles.
6. Utilities system plan, providing for communications, energy, water, solid wastes, sewerage, etc.
7. Community facilities plan, providing for civic, cultural, educational and recreational facilities and systems.
8. Housing plan, providing sites and environmental amenities for a range of specified consumer desires and needs.
9. Urban Design aesthetics plan, providing guides for city appearance, architectural themes, landscape treatment, and urban street furniture design.
10. Development code, including deed restrictions and leasing restrictions, as a preliminary statement of desirable regulations. Such codes and restrictions should encourage the construction of innovative housing systems.

COSMOPOLIS: AN OPTIMUM NEW METROPOLIS

In order to be a reality within a generation, the first experimental "Cosmopolis" must be located in a region which will offer an outstanding opportunity for success and creative achievement. The West is such a region.

The accompanying "Schematic Diagram" illustrates the design and urban form concept of the optimum city within the framework of the Cosmopolis idea and the criteria for planning discussed previously. This city has been planned for an ultimate population of two (2.0) million individuals on a 100,000 acre site located in one of the western states upon Public Lands in an area considered feasible for development based upon the location criteria discussed earlier. The physical concept is that of a unitary contained circular urban matrix enclosed by a transportation corridor at the city's outer limits, and compass-point radial transportation corridors focusing upon a highly concentrated skyscraper-dominated downtown

area in its center. Eighty-eight local communities housing 15,000 to 50,000 inhabitants would be distributed among four major city quadrants within a grid system of expressways linked with the three major circular and eight radial multiple-mode transportation corridors. Industrial activities would be located at four strategic peripheral areas, while regional business and commercial functions serving the four major urban quadrants would be concentrated at peripheral compass entrance points. The centers of each local community would contain a complex of higher education, commercial, civic, cultural, health, and recreational facilities. Major universities and parks would be located adjacent to the downtown area near the radial transportation corridors.

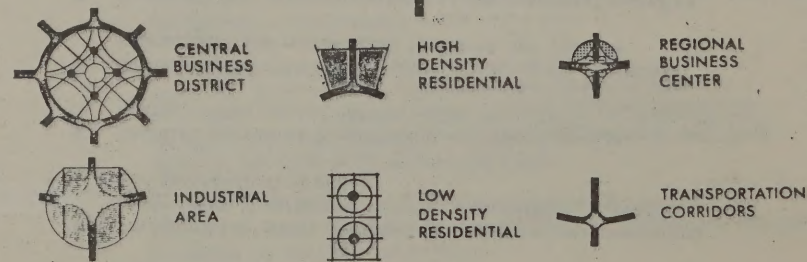
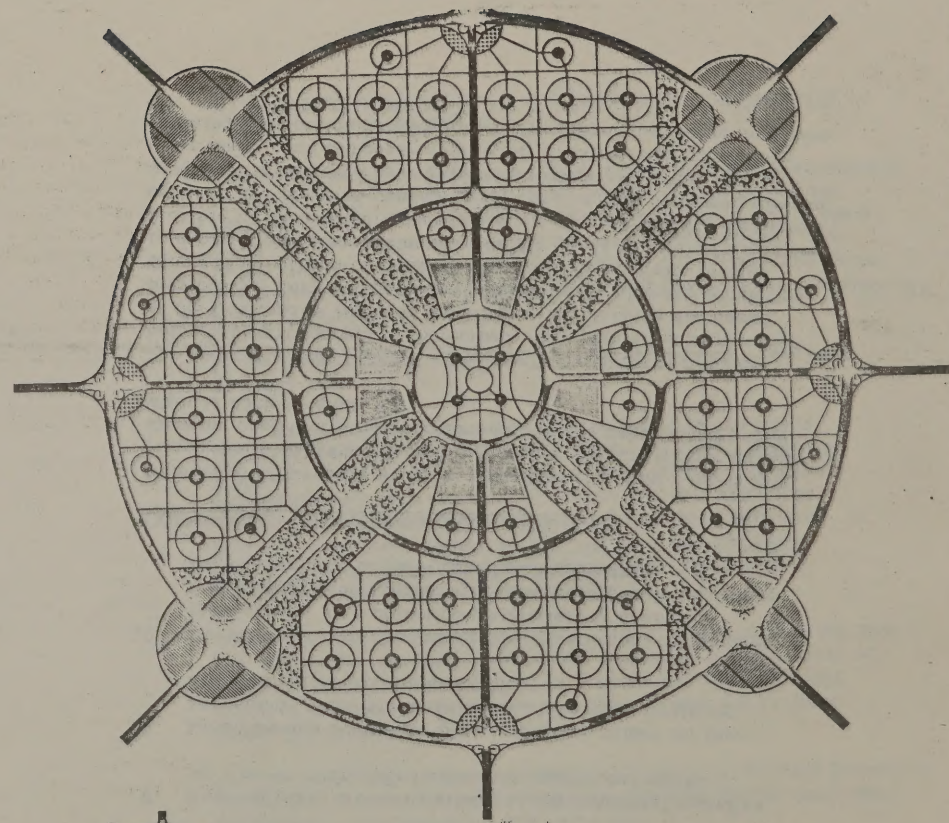
A MASTER DEVELOPMENT PLAN

The schematic plan for the first new cosmopolis has been prepared as a logical diagram for the city's physical, economic, political, and social development, and as an experimental guide for the development of other proposed new metropolises. Although each city would be unique and individually planned in relation to special regional and site characteristics, the general design principles, social and economic goals and institutional innovations found valid and useful should be further refined and used as appropriate in all the other new metropolises.

The physical development of a large new city has to be related to the economic potentials of the region in addition to being planned in harmony with the natural land forms, resources, and climate existing in its regional setting. The theoretical regional location of such a new city is assumed to be excellent in these respects.

THE LAND USE PATTERN

The accompanying "birdseye view" sketch of Cosmopolis shows how the entire city might look from an airborne vantage point looking northward. The schematic plan of the entire city depicts the geographical pattern of the major land use and functional areas within the confines of a mathematically formulated transportation network. The transportation network includes: the urban-form determining transportation corridors (super right-of-ways containing freeways, railways, mass rapid transit ways, special truck ways, and possibly special conveyor belt systems); expressways defining the boundaries of the various residential communities in a super-grid system of mile-wide sections, serving as secondary arterial systems for transporting people to and from major



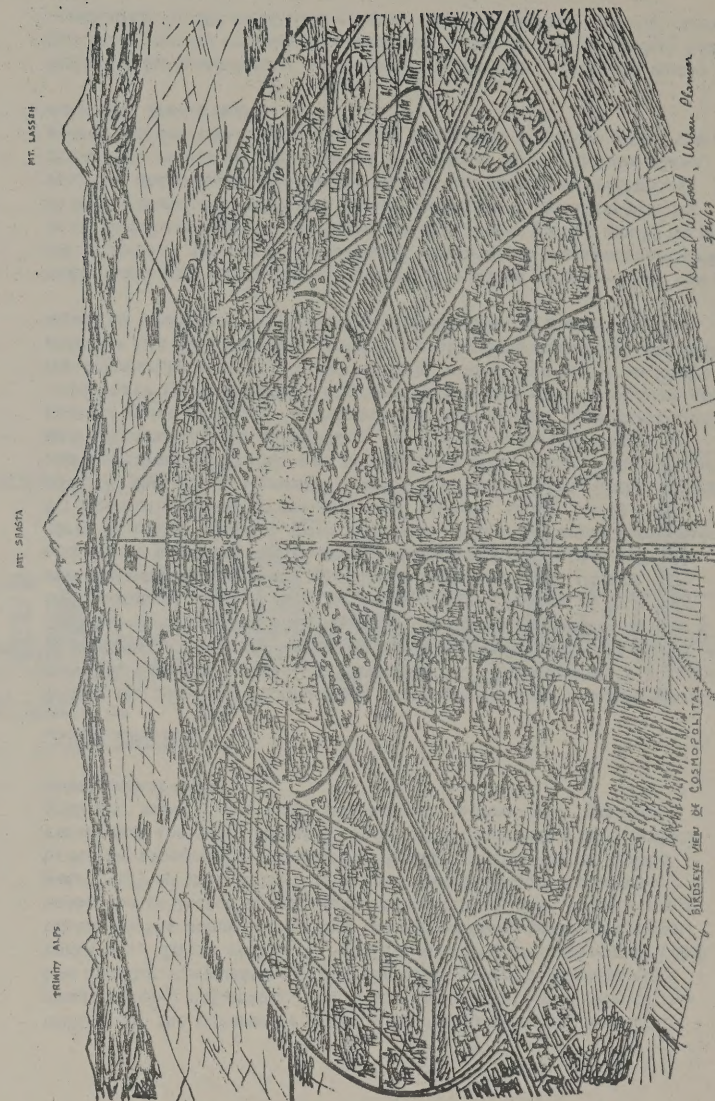
SCHEMATIC DIAGRAM

activity areas; and the circular-diagonal collector street systems within each community unit which serve as ingress and egress routes as well as internal circulatory patterns focused upon the activity centers of the various communities -- that complex of retail, commercial, educational, civic, health, and recreational facilities comprising the social heart of urban life. This is why the city is planned in a circular form, 12 miles in diameter, bisected by north, northeast, east, southeast, south, southwest, west and northwest transportation diagonals. As a result, it has been divided into four quadrants separated by mile-wide park and agricultural strips. Each one of the four quadrants is designed to accommodate 350,000 to 500,000 people within 20 low density and two (2) high density residential communities. Each sector of the city, while focused upon the Central Business District and a wedge of universities, hospitals and other public facilities, would also have its own regional business, commercial, and cultural center located at the periphery of the city on the circular outer transportation corridors. Major industrial facilities would be concentrated in four circular industrial park clusters on the outer rim of the city and connected directly to the Central Business District and the various Regional Business Districts by transportation corridors and other "goods" moving systems.

The city is planned to average a gross density of 20 persons per acre. Eight thousand acres of land would be reserved for industry, two thousand for the Central Business District, one thousand for the regional business centers, 2,600 for public and institutional uses, and the balance for residential, local community centers, streets and transportation, agricultural strips, public open space, and parks. Parks and public open space areas would include over 19,000 acres of land, well distributed throughout the city for citizen use, with four close-in central park belts adjacent to the Central Business District consisting of 1,200 acres each.

TRANSPORTATION

Transportation would consist of the most advanced systems produced by technology as well as multiple modes and routes for every type of need. Individual transportation, so much a part of American consumer preference via the automobile, would be one of the major modes. Rapid mass transit would also be a part of the transportation system; the particular system might be one of many different types now available. However, one system which appears to be most favorable from the cost, operation, size, and consumer preference



standpoint is the StaRR Car System. The StaRR Car System, also known as the self-transit rail and road car, is a small sixty (60) mile per hour, three passenger plastic vehicle propelled by a small gasoline engine when operator-driven and electronically guided and propelled along special tracks when operating as a rapid transit vehicle in a continuous train of other such vehicles. Thus it offers the advantages of mass rapid transit when operating on special tracks in its eight (8) foot wide right-of-way, or as an individually operated small automobile when desired for such use in the downtown area, the neighborhood, or from home to the special entrance gates of the transit-track system.

The non-rapid mass transportation system proposed consists of three major surface route systems. These are: (1) transportation corridors -- 500 foot wide multi-purpose right-of-ways containing freeways, mass rapid transit ways, special truck and bus ways, special conveyor belt systems, and designed for potential use by other forms of surface, sub-surface or suspended transportation: (2) expressway-parkways, which would also carry rapid transit systems within their 150 foot right-of-ways: and (3) parkway-collector streets, 100 feet in right-of-way width, serving as local community entrance, exit and internal circulation systems for individually operated vehicles.

As shown on the Schematic Diagram, the transportation corridors consist of three circular systems and four diagonal-directional systems (following compass points). These corridors define and delineate the form of the City. They tie industrial areas together with the outer circle corridor, the regional centers to the Central Business District, and "drain" the communities into the Central Business District, the industrial areas, the regional business areas, and the permanent open countryside beyond the fixed limits of the city.

The expressway-parkway system, organized into a modified grid system in each city quadrant in roughly one mile intervals, would focus upon the Central Business District. They would also intersect with the transportation corridors, as well as provide several alternative routes to the Central Business Area, the Industrial Areas, the Institutional Areas and cross-town and/or inter-sectoral routes to and from various destination points.

The collector parkway street system, consisting of nearly one mile in diameter circular routes for "collecting" community residential

traffic into the community centers via the north-south and east-west diagonal collectors, would set the general areal form of the low density communities within the grid system of expressway-parkways. These collectors would also serve as entrance and exit points for the communities onto the expressway-parkway system. Below the collector street system of functional use, local streets would vary in their pattern of layout, being designed primarily to follow topography, discourage through traffic, and to create visual and aesthetic variety. Local street patterns would include gridiron, curvilinear, loop, cul-de-sac, elbow, and "cluster" development types.

COMMUNITIES

Within the city, the communities would constitute the basic planning, service, political, social and living units. The community college (a public four-year institution as well as an adult-lifetime continuous education facility) would be the center of community life. Each community would have its own complete system of business and commercial services, community facilities (i.e. library, fire and police stations, clinic and medical facilities, etc.) cultural-civic facilities (theatre, town hall, public plaza, recreation center, art museum and auditorium, political offices, clubs, etc.), educational facilities, (nursery, elementary, junior high, high, college and vocational schools), and necessary stores, shops, businesses and accommodations enterprises, as well as a certain amount of special types of small, non-obnoxious industries. Each community would have these facilities concentrated in high-rise structures around the community center in a park setting, accessible to all residents within a 1/2 mile walking, driving, or bicycling distance. Automobiles would be completely separated from pedestrian or bicycle traffic.

Each community would have a variety of housing types -- from the large lot, spacious detached single-family dwelling to the apartment-hotel of up to fifteen stories. Housing for all income groups would be provided in each community, diffused among each type of dwelling unit for variety, uniqueness, individual choice and consumer preference. Each community would be a microcosm of the total city in income class, social and age characteristics, and integrated in ethnic group and economic status terms.

Eighty-eight communities would exist in the city. Included would be four high density communities adjacent to the Central Business District containing 35,000 to 50,000 people; fifty-six medium density communities

containing 17,500 to 20,000 people; and twenty-four low density communities containing approximately 10,000 people. The land area of these communities would range from 300 acres to 640 acres. Each community would be unique, individually planned as a unit, and developed for maximum individual choice. Variety in architecture, layout, special characteristics, housing, and social mix should be a prime objective of the total development plan within the larger framework of order established by the General City Plan. Variety at the household and local level with order and rigidity at the metropolitan level would be the major theme of this development concept.

DOWNTOWN

The plan for downtown Cosmopolis includes a plan for broad tree-lined boulevards, a dozen plazas around which certain groups of buildings would be clustered in each functional use district of the "core" area, many exotic fountains, much public art, and sculptural work. Downtown should be an area of inspiring skyscrapers, view vistas, breathtaking magnificence, and intimate pedestrian areas. It should be urbane and varied, combining uniqueness with grandeur and order. And, it should be symbolic and expressive of the future.

An example of how one section of downtown might look in profile is shown by the "Profile View Sketch -- Downtown". In this concept, downtown is to be dominated by the multi-purpose skyscraper. The tallest building would be located in the very center of the city within a 100 acre civic and cultural center area of grass, trees, plazas, fountains and other aesthetic features, while underground parking for thousands of vehicles would provide convenient access for motorists. This building (the Governmental Center, rising 650 feet, and topped by a restaurant and observation deck) would be visible throughout the city. It would be connected to other tall buildings out from the Civic Center by aerial cable cars. All of the downtown skyscrapers would be inter-connected with one another by suspended pedestrian tubes at constant floor levels, such as every tenth or twelfth floor. Major buildings and associated clusters of other similar use buildings would be connected at the very top floors by the aerial cable cars. These in turn would be connected similarly to the Civic Center Complex.

Because of the multi-use nature of downtown buildings, i.e., entertainment and eating on the top floor, residential apartments on the top half of buildings, retail and service stores at every 10th floor in connection with the pedestrian tubes, offices on lower half of the

building, mixed retail, financial, service and other business and commercial activities on the lower or ground floors, downtown would probably house a population of nearly 100,000 residents. Pedestrian traffic would be diffused in a three-dimensional pattern, as well as being totally separated from vehicular traffic. Warehousing would tend to be below ground level, and certain manufacturing, distribution, and utility activities could also occur below ground level. However, most of the underground space would be used for rail routes, mass transit routes, automotive routes, and parking.

The height of buildings would be regulated in concentric zones from the Governmental Center in order to assure the residential apartments on the top floors would have magnificent views of the total city and the surrounding countryside. A height range of eighty (80) floors for the Governmental Building down to five (5) floors in the merchandising-transportation district, and a ten to fifty floor range for other private buildings depending upon the land use district, would create a symmetrical framework for architectural imagination as well as an inspiring skyline, and set the tone for the City. Finally, downtown streets would be paved for beauty -- using terrazo, conglomerates, cobblestones, or other attractive materials instead of the usual black asphalt now used for streets. The idea of "Cosmopolis" is to build a totally beautiful City!

LOCAL GOVERNMENTAL STRUCTURE

A new municipal plan is essential if the physical plan and other plans are to be implemented, and if we are to reach our goal of a more democratic and citizen participation oriented local governmental structure. The governmental plan proposes that three levels of government be established in order to return the political process to a human level, and to realize the ideals of American democracy -- the ideals of the multilevel, citizen operated, diffused power "checks and balances" federated system. At the same time we need to eliminate the chaos, confusion, and inefficiency of too much local provincialism which in our existing metropolitan areas has resulted in a tangled, impossible situation where up to 1,400 local municipalities, special districts, authorities and other agencies attempt to govern the realities of urban life through an outdated system irrelevant to metropolitan affairs and problems.

To solve the three major problems of local governmental balkanization, centralization, and bureaucratization, three levels of government are needed at the local level. They are: (1) a 'Regional

Province' -- a regional urban sub-state, possessing powers nearly equal to our present state governments; (2) a federated City Government; (3) community governments within the federated City Government.

The Regional Province level of local government would constitute a generally natural urban and hinterland region; consequently, it would concern itself with regional affairs. This level of local government should be patterned on the federal system -- containing an elected executive, an elected two-house legislative body, and a judicial body. Within the Regional Province, we would have new Cities, existing municipalities, and any future satellite "new towns" that might be constructed according to the regional plan.

The optimum City of "Cosmopolis" as concerned here would represent a union of 88 local communities. These communities would be responsible for the provision of equal public services within the guidelines established by the City government, as well as being charged with the responsibility for local community planning, architectural review, and administering justice. However, the City would collect all revenues for the provision of these services, as well as be responsible for the provision of City-wide public services, administering non-community areas within the City, and performing total planning within the framework of regional planning.

The City would have three branches of government. The legislative branch would consist of two houses -- one based on population, the other on geographical entities. The population house, called the Assembly, would ultimately have 200 members -- one representative for each 10,000 persons. The geographical house, called the Council, would have 88 members -- one for each community.

The executive branch would consist of a Mayor and a Committee of Deputy Mayors, the latter being elected from the four sectors of the City. These deputy mayors would preside over the Council and Assembly, act as cabinet members heading the major departments of City Government and provide advisory functions to the Mayor. Consequently, the executive branch would have a population and a geographical basis for election, better diffused power, and a responsibility under greater direct control of the people.

The judicial branch would consist of three court levels -- Superior Court, Municipal Court and Magistrate Courts. The latter Court would have jurisdiction within the communities and be a partial

function of the judicial process at the community level.

Community government would consist of a unicameral legislative body called The Forum, an executive -- called the President of the Forum, and of course, the Magistrate Court. The Forum members would also be the community's Assembly and Council representatives. The President of the Forum would be solely responsible for executive functions within the community and for presiding over the Forum. Magistrates would be elected for six (6) year terms by community residents and responsible for administering justice under the requirements of municipal law.

THE ECONOMIC BASE

The most significant factor in the development and success of "Cosmopolis" will be the creation of an economic basis for supporting the population, and the initiation of new economic institutions and concepts discussed earlier in this paper in order to realize the goal of a truly democratic capitalist society -- a society where all people can become capitalists. In addition, we need to provide mechanisms for preventing land speculation, inflated land prices and future slums, as well as the instigation of special incentives for the development of individual business enterprises.

The economic development plan should result in a just distribution of income to all citizens through capitalist means rather than through only laboristic means. As discussed earlier, this implies arriving at a condition where all citizens can own income producing private property: a broadened ownership pattern for the masses of Americans is the appropriate way to create economic democracy; our objectives in economics should be to maximize the ownership of all forms of income-producing or "capital asset" property among our citizens.

The development of viable local economic base should concentrate on creating industrial-commercial-services structure utilizing the existing and potential natural resources of the region, the existing agricultural base, and the constantly increasing supply of human resources available. Economic activities that conceivably could become dominant in the context of the new City include:

- a. Scientific Research and Development.
- b. Space Age Industries and Electronics.
- c. Drugs, Pharmaceuticals, and Chemicals.
- d. Defense Industries.

- e. Aluminum and Copper Reduction and Fabricating.
- f. International Trade Via Air Freight.
- g. Agricultural and Food Products Manufacturing.
- h. Consumer durables and non-durables manufacturing.
- i. Light Machinery manufacturing, instruments, equipment.
- j. Lumber, furniture, paper manufacturing.
- k. Transportation, Communications.
- l. Construction and Allied Activities (particularly significant at first).
- m. Educational, professional and financial services.
- n. Government and public services.
- o. Retail and Wholesale Trade, Personal Services.
- p. Administrative, managerial and research services.
- q. Tourism, commercial recreation and entertainment.
- r. Real Estate, finance, and insurance activities.

A SOCIAL AND HOUSING PLAN

In order to achieve a balanced community structure within the new metropolis and to provide political responsibility at the community and city level, a social and housing plan is essential to assure that the various residential communities become microcosms of the total city -- heterogeneous and pluralistic, rather than homogeneous and segregated by class, education, economic status, or ethnic background. To achieve this goal, the following steps should be considered:

(a) Establishment of social adjustment centers in each community unit as it is developed. These centers, staffed with competent social workers and other professionals, would re-educate and re-habilitate deprived persons moving to the City from other areas. The objective would be to upgrade the values and way of life of such persons to fit urban needs -- in short, take the "slum" out of people through understanding and education before a new slum could develop.

(b) Enactment of an open occupancy ordinance, thus giving all citizens free access to all housing in every community within the City.

(c) Building in each community housing of various styles, prices, sizes, and types to fit the tastes, needs and income of all citizens. Each community housing pattern should be proportional to the income and social characteristics of the entire City. This would

mean building decent housing for low income families, middle income families, high income families, the elderly, young singles, etc. The development plan for each community would then ensure that equal public services, facilities, and amenities are provided in each community, coupled with a complete range of housing so that each community unit would be an equally attractive living area for all citizens.

(d) Creation of a mutually-owned Housing Corporation, in conjunction with the life expectancy renewal trust fund for building and financing various kinds of housing and for assuring community development in a systematic program. This corporation could be a subsidiary of the Urban Development Corporation, and would be the primary initiator of community development, acting as the prime contractor and central purchaser of materials. However, individuals, private builders, and developers would do all actual construction work under sub-contract relations. The builder of course would realize material cost savings (to be passed on to the consumer) through the greater bargaining power of large scale purchasing of the Mutual Housing Corporation.

(e) Establishment of a "Mutual Housing Exchange" as a partial function of the above-mentioned Housing Corporation, to provide a central marketing organization for housing similar in scope and function to our present securities exchanges. The housing exchange would provide a convenient market for such exchanges between citizens owning the eventual 650,000 dwellings in the City. It could provide a guaranteed market for privately owned housing by operating very similarly to the mutual investment trusts, only in terms of dwellings.

(f) Housing research and development institutes, possibly as an adjunct function of the Mutual Housing Corporation, for developing new ways of providing substantial, attractive, and desirable low cost housing for individual taste at the lowest possible cost. This would imply efforts for developing decent and attractive pre-fabricated housing, "throw-away" housing, factory mass produced housing, and other types of housing in order to reduce the real cost of housing to a much lower percentage of disposable income.

(g) Establishment of "do-it-yourself" housing construction service agencies so that new homesteaders of low economic and cultural standing could build their own home on their homesites with professional assistance in terms of house plans, plumbing and

electrical work, and in the purchase, use and implacement of materials. For example, cooperative house building activities, reminiscent of the cooperative "barnraising" activities of the old west pioneers could be initiated in this new urban frontier for abolishing poverty.

A PHASED DEVELOPMENT PROGRAM and URBAN DESIGN Policy

The physical development of the City should be phased and integrated with the other total plan concepts of the City -- economic, governmental, social, housing, etc. -- so that the ultimate result will be a total environment for realizing a humane, well ordered, and harmonious metropolitan society. To assure a sensible physical environmental pattern of urban development, and to facilitate the proper programming, staging, and development of the City, certain policies must be established from the very beginning. These policies should include:

1. Staged construction of each sector of the City, Community unit by Community unit, and in relation to the economic development and engineering-architectural aspects of the City.
2. The concept of urban containment versus megalopolis -- that is, the building of a physically contained City in geographical and population terms -- creating a sharp break between city and country to be preserved permanently. Such contrasts between a truly urbane cityscape and a truly rural landscape would bring out the best of man's talents for artistic expression and technological innovations within the urban scene while preserving the best of nature's irreplaceable beauty in the natural environment.
3. Construction of water, electrical, communications, and sewer systems based on ultimate needs, staged to fit the development rate for each sector of the City. One special feature that might be included in the utilities system concerns the construction of a centralized air conditioning system. Such a system, if economically and engineeringly feasible, would provide low cost air conditioning under high pressure for centralized distribution throughout the City. Power, telephone, and all other utilities services should be installed underground.
4. Acquisition of the total City site area by the proposed "Urban Development Corporation" under a conditional grant by Act of Congress and Charter requirements with the appropriate

Public Lands defined as the site, owners in the site area should be given first priority for "homesteading" lands in the new planned City for various uses, under certain limitations. Existing farmers should be enabled to use any leased Federal public land actually needed for City purposes under a nominal-fee short term lease-back arrangement.

5. Encouragement of the maximum development of civic art, beauty, and urban aesthetic achievement by the commissioning of artists, sculptors, architects, planners, landscape architects, and others for the maximum diffusion of such works throughout the City. The preservation of existing trees, the planting of new trees, installation of aesthetically pleasing and well designed street furniture, signs, sidewalks, and street paving of quality appearance, attractive street lights, and so forth, should be vigorously pursued from the beginning, and established as part of an overall urban design policy.

6. Development and settlement of socially integrated communities, as part of the housing and land use plan:

7. Encouragement of local community precise plan variation and innovation, stressing architectural and site layout variety at the precinct-household level. Each community, industrial estate, and regional business center should be planned differently in detail. The ideas, styles, designs, and thinking of many people should be used throughout each area within the total City plan framework so that, given a rigidly defined community area with predetermined major street patterns and general land use plan, coupled with a policy for the provision of similar public facilities and amenities, creative imagination will be fostered in the precise visual and three-dimensional aspects of each area.

8. Conservation of agricultural land, forests, and water courses, including the development of a continuous park-natural area along rivers or any tributary streams, or canyons, lakes, etc.

9. Enactment of stiff controls and regulations to prevent smog, water pollution, and the contamination of flora, fauna, and food production.

10. Encouragement of an innovative design theme in architectural expression within the rigidly contained area of the Central Business District, emphasizing new shapes and forms in skyscraper design.

CONCLUDING REMARKS

In conclusion, it can no longer seriously be contended that we do not possess the wealth, technology, and the know-how for realizing such a program. In the final analysis, it is the vision of people -- their dreams and aspirations -- that will ultimately translate an idea into a reality. In the perspectives of history, our posterity will demand that now we do something of a magnitude equal to the task of providing the good life for all. Now is the time to begin the beginning.

NOTE: This paper is based upon previous articles and writings presented in early 1964 to the "New Ideas in Planning" Conference of the California Chapter of A.I.P., a presentation given to the California State Convention of A.I.P. in San Diego on February 14, 1965, a paper presented to the Western Regional Science Association in Las Vegas, January 28, 1967, the Public Land Law Review Commission in Fresno, February 15, 1967, the National Commission on Urban Problems in San Francisco, July 7, 1968, and to the California Assembly Committee on Urban Affairs and Housing in Sacramento, September 17, 1969.

XII. REMARKS AND COMMENTS ON SPECIFIC QUESTIONS OF THE PUBLIC LAND LAW REVIEW COMMISSION

The following six topical questions were submitted to this writer by the Director of the Public Land Law Review Commission for comment and discussion. The following pages include this writer's viewpoints concerning the questions as listed.

Question 1. The status of plans and recommendations for the development of a Federal policy to support or encourage the development of new urban areas from which the Commission could develop an assumption as to the rationale of such Federal policy, particularly in the Western public land states.

Comment: The development of a Federal policy concerning the development of new urban areas is currently under study by the Office of the Vice President, the office of the President and the Urban Affairs Council, the House of Ad Hoc Subcommittee on Urban Growth, and the Department of Housing and Urban Development. Many members of the Senate and House are exploring policy alternatives concerning new towns and cities. Senator Karl Mundt of South Dakota has been particularly active in this general area with special reference to "Balanced Economic Development".

The year 1970 should see some concrete proposals from both the Executive and Legislative branch as well as from certain Commissions concerning a program to encourage the development of new urban areas.

The use of some Public Land in the Western states for new urban development will most certainly be a part of any recommended or proposed Federal policy on urban development.

Question 2. Without regard to a specific Federal policy to encourage the development of new urban areas, what are the locational forces, if any, that would tend to bring about such developments in the Western public land regions?

Comment: The major locational forces will be the availability of land at locations now served by interstate highways and rail transportation, availability of natural resources for development, water supply, and the actions of private enterprise coupled with the development pressures and promotional efforts of various groups to encourage growth and development.

The availability of power and gas systems, or the development of major Federal installations -- defense, aerospace, or resources development -- would also be major forces affecting the development of new urban areas in the Western public land regions.

Question 3. The factors that influence whether urban expansion will most likely occur as additions to existing urban areas, or as wholly new urban areas in public land states; how these factors are now developing.

Comment: Without a Federal policy which encourages the development of wholly new urban areas, the predominant urban growth will be expansion of existing urban areas. The primary factor which influences urban expansion is the fact that the community exists, has a population and economic base with housing and transportation and other facilities, and has a chamber of commerce, governmental structure and promotional groups, which promote the area for industrial and commercial growth.

The attractiveness of an existing community to bring in new people and economic activity is greater than an isolated area to be developed from scratch. To develop a wholly new urban area requires a definite policy with land and economic incentives, and the commitment of major private enterprise interests to development. Recent trends show an increasing interest by private enterprise for the development of new urban areas.

Question 4. Factors that influence the requirements for the development of viable new urban areas in regions where they do not now exist, with particular emphasis on the characteristics of possible viable new urban areas in the public land regions.

Comment: I believe the factors concerning location criteria, economic development, and the various other proposals discussed in this paper adequately describe those factors that influence the development of viable new urban areas. The characteristics, goals and objectives, and techniques for development, including the Urban Development Corporation concept and the Urban Homestead Landgrant idea within the framework of a National Urban Development Policy, are the major requirements for developing viable new urban areas in the public land regions.

Question 5. The role public lands might play in the development of new urban areas in public land regions including the various conditions, such as area, phasing of land availability or price, under which public lands might be made available if they are to contribute to the development of new urban areas and the alternative probable impacts through use of different conditions.

Comment: The public lands can serve as entire sites for new urban areas, as designated in the context of a National Urban Development Policy. Such sites could range in acreage from a minimum of 25,000 acres to 150,000 acres. The 50 year program involving over 100 new cities described in this paper would not require more than 10 million acres -- some of which might be Indian lands where new cities could be developed on leaseholds similar to Palm Springs, California.

Whether public lands are made available free to a specially chartered Urban Development Corporation or sold at current market value wouldn't make much difference. The sale of such lands would not generate significant revenues to the Federal government, but the development of such new urban areas in the context of economic growth would generate significant income tax revenues.

The impact and benefits to the nation have been discussed in earlier sections of this paper.

Question 6. Factors to be taken into consideration by the Commission in formulating recommendations for statutory or regulatory criteria providing for the use of public lands in the development of new urban areas in public land regions.

Comment: The location criteria, goals and objectives, city planning criteria, economic development concepts, and urban design policies discussed in the main body of this paper are the primary factors to be considered by the Commission in formulating recommendations for the use of public lands in the development of new urban areas.

The public lands as new city sites should be viewed in terms of offering a "new urban frontier" designed to solve some of the nation's social and economic problems, a means to direct and control urbanization, house the population, stimulate economic growth, and provide new opportunities for people to own property. These topics have been discussed in depth within the main body of this paper.

NEW TOWNS AND FEDERAL LAND

by

Marion Clawson
Resources for the Future
Washington, D. C.

SUMMARY

The prospects for establishing new towns with 50,000 or more people each on the present Federal lands are very limited. These lands are poorly located for new towns of this size and/or are physically unsuited for such large towns. Adding these problems to the many difficulties involved in establishing new towns anywhere results in a serious handicap to such projects.

If a national policy were to be adopted to foster the building of new towns with 50,000 or more people anywhere in the United States, one indispensable requirement must be the acquisition of a new Federal landholding by purchase from present owners, its management, and its disposition to builders of the new towns. Such a land program could benefit greatly from the decades of experience with the present Federal land. Planned major enlargement of a few selected smaller cities may be more practical than establishment of wholly new towns.

Demographic and Settlement Basis for New Towns

Several demographic and settlement factors are favorable for the establishment of new towns of 50,000 or more population in various favorable locations around the Nation.

In the first place, total population of the United States is increasing. The rate of increase in the past few years has been lower than for many years. A decade ago, it seemed probable that an annual rate of increase of about 1.7 percent annually would continue; now, the prospect is for a rate of increase nearer 1.0 percent. This may not seem like much of a difference, but it is little more than half of the earlier rate. The simple fact is, no one knows for sure what the rate of population increase will be some

years from now. History is littered with the wrecks of earlier bad population projections; the human reproductive rate is not easily forecast. But it does seem fairly certain, barring some truly catastrophic war, that we will have more people 10 years from now than we have now, and that each successive decade will see an increase. Whereas the medium projection a few years ago was for 330 million in 2000, it now seems more probable that there will be not more than 300 million, and perhaps no more than 275 million by that date. But even this lower figure, or even a somewhat lower one, would still mean a lot more people than at present. More people must live somewhere.

Secondly, the experience since World War II has shown that a majority of the people prefer moderate and larger cities to small cities and open country remote from cities. More than half of all counties lost population in the 1950s; the 1970 census will almost certainly show that most of those counties, and some others, lost population in the 1960s. Outside of the Standard Metropolitan Statistical Areas, which are characterized by one or more cities of 50,000 or more residents and by adjacent suburban areas, the total population is increasing much more slowly than in the SMSAs. Moreover, the overall statistics conceal many important changes. If one looks at only the numbers of young people, the trend is more dramatic. The young people of America are moving away from farms, from rural areas remote from cities, and from smaller cities. Two decades or more from now, the migration of young people will show up in the form of faster declines in many areas. Cities have clearly been the choice of many people in these past two decades.

But the problems of the largest cities in the United States are severe. If one looks at their social structure and life, one sees racial conflict and unrest, crime in the streets, obvious and severe poverty, and mounting welfare rolls. If one looks at the physical aspects of the largest cities, he sees major transportation congestion, serious air and water pollution, and mounting problems of solid waste disposal. If he looks at their political aspect, serious problems of governing them are evident, and the realization of meaningful citizen participation is difficult. By any test, the largest cities have very difficult problems. One need not be an alarmist, nor predict doomsday for these cities, to recognize that they do face serious problems.

Nevertheless, in the absence of a strong national policy -- and possibly in spite of it, were one to be adopted -- nearly all or most of the population increase for the next generation or longer will be in cities, and mostly in the larger cities. Farm population, already down to the level of 1870, will decline still further. The population decline of the many essentially rural counties will continue and probably accelerate as the present population becomes older and is not replaced by young people. Many of the smaller cities, under 50,000 in population, will also decline or at least not increase proportionately to the rest of the country. The middle and larger size cities and their immediate suburbs will absorb most of the increased total population.

Under these circumstances, attention naturally becomes focused on the prospect of cities in the 50,000 to 200,000 range. Cities of this size may be dynamic, economically; there is no evidence that their per capita costs of government are higher, and they may be lower, than in larger cities. Cities of this size can provide most of the cultural advantages of larger ones. Their problems of government may be more manageable. These same arguments probably apply about equally well to cities up to 500,000 in population; it is in those above the latter size that the most difficult problems arise. It is in the establishment of cities of 50,000 to 500,000 population that the possibilities of new towns look the best.

The Appeals of New Towns

The idea of major new towns is very appealing on several counts. Instead of trying to rebuild and remodel old and decaying cities, with their many social ills, why not build fresh new cities? It is easy to point out that present cities were never designed for modern life. Their streets, for instance, were not designed for the modern automobile. Electric power lines, gas lines, telephone lines, water lines, sewer lines, and other services have usually been added after the city was designed and virtually completed; they are placed under the streets, each separately, and any service to any one of them requires digging up the streets. The rectangular pattern of streets in many cities, efficient and simple though it may be, lacks aesthetically pleasing vistas and perspective. In many older parts of cities, supplies of all kinds have to be unloaded from trucks at the curb in front of the building, and transported

into the building by hand trucks pushed by workers. And one could go on, listing deficiencies of the typical city, inherited in considerable part from the past decades. Piecemeal replacement of buildings or of streets in such old cities can never effect a fundamental redesign and restructuring.

The enthusiasts for new cities paint a rosy picture of the possibilities of a fresh start. A new city could be designed for modern living and for modern technology. Transportation could be speeded up and simplified, by combination of public and private means, surface, elevated, subsurface, and all the rest. Both residential and office areas could be made more efficient, more livable, and more attractive. The public utilities or service functions could be grouped in multiple purpose tunnels, constructed before the streets were paved and the buildings built, and with no need thereafter ever to tear up streets. Open spaces and plazas could add greatly to the attractiveness of the downtown area. In the residential areas, children could walk to their schools without the necessity of crossing busy streets, and neighborhood parks and playfields would add much to the attractiveness of such areas. The new city or town could be designed and built in innumerable improved ways, compared to present cities.

But the proponents of new towns and cities do not stop with the advantages of their physical design. They think of towns in which people of all income ranges, ages, racial and ethnic groups, and other characteristics could find a home, without the massive segregation by income and race which characterizes most larger towns and cities today. By good design, the town or city would provide employment opportunity within reasonable distance of where people lived, and housing opportunity reasonably close to where jobs were. Lengthy commuting would be much less common, and many more people could walk to work, to shops, and for recreation. People who worked in the new town could also live there and vice versa. Again, a rosy picture can be painted.

There are indeed great possibilities in new towns. Free of the inherited pattern of the past, and free to use the best technology and the greatest imagination for the future, surely our city planners and engineers could design and build some exciting new towns.

Yet the pessimist (or realist) cannot help but raise some questions. Is not the enthusiasm for the new towns a form of escapism? Are its advocates being realistic? Do they magnify its potential advantages, and overlook some of its potential problems? If one should somehow manage to avoid all the present problems of the older cities, might he not encounter some wholly new problems? It is a common illusion to believe that some new organization or new method will somehow cure all present difficulties without creating any new ones in its wake. Would most people really like the kind of new town which town planners would design if they had a free hand? Would its costs be so high that people would prefer something more modest at a lower price? Are the advocates of new towns simply incurable romanticists?

I do not try to answer these questions, nor to evaluate the advantages of new towns in comparison with their costs and possible disadvantages; this is a task beyond me, at least with the time and resources at my command. But it may well be that no amount of advance planning and discussion can be wholly convincing. There are many variables or unknowns, and only actual tests will measure these factors or variables adequately. My own inclination, perhaps intuitive, is: let the United States try several new towns, of various sizes and structures in various locations, and see how the idea works out.

It seems wholly out of the question for new towns to absorb all the urban population increase. If urban population increased no more than 60 to 75 million by 2000 -- and I think it likely it will increase considerably more than this -- and if new towns averaged 100,000 each, then this would mean 600 to 750 new towns over the next 30 years -- 20 to 25 new ones started each year. Considering that there are today only a handful of truly independent new towns planned for anything like 100,000 people, and considering that private enterprise has already ferreted out the likeliest locations for such towns, building on a scale to accommodate the entire increase in urban population is virtually impossible. Most of the problems of the cities for the next generation will have to be met and solved -- if indeed they are solved at all -- within towns and cities now existing, including their expanding suburbs. New towns, no matter how vigorously pushed, cannot possibly meet all, or even a major portion, of the urban problems of the next generation.

Nevertheless, some new towns might be built -- perhaps as many as 2 or 3 new ones started each year -- which is a scale of new town building far behind what we have experienced up to now. New towns should experiment, innovate, and test new ideas. If successful, they will stimulate the revival and modernization of many existing towns and cities. Even if the new towns should, in a sense, fail, nevertheless they might contribute to better growth and modernization of existing towns. So, as one citizen, I vote for some new towns. Some of the requirements or necessities for their success are outlined in the following section.

Economics of New Towns in General

If a new town located anywhere is to be successful, it must meet several difficult economic tests. By "successful", we mean that it shall grow in population and employment as planned, that people who live there will regard it as a satisfactory (or better) place to live, and that outsiders will judge it with praise or at least tolerance. In this section, we are concerned with a new town of 50,000 or more ultimate population, sufficiently separate from other towns and cities to be reasonably independent, economically and culturally. A suburb to a large city, even if meeting the size requirement, would thus not qualify. A consideration of these basic economic requirements for new towns in any location will enable us, in the next section, to consider the special problems and special advantages of new towns on Federal land.

First of all, a successful new town must have a viable economic base. Public subsidies may be necessary and desirable to help a new town get underway, but it must be able to stand on its own feet economically fairly early in its development. The bases of successful towns and cities of this size in the past have been varied. One of the best locations for a successful city was at a transportation node -- a place where one form of transportation must be replaced by another. A substantial proportion of the world's cities are seaports, where people and goods coming from or going to lands across the sea had to take new forms of transportation. A similar break in transportation may occur at critical junctures on land. Denver, Colorado, for instance, is obviously not a seaport, yet it does play a significant role as a transportation junction. Other cities have been located where there were valuable natural resources, especially resources which required processing near their

occurrence. Many iron and steel towns fall into this category. Others have had important social or cultural institutions -- a major center of government, a major religious site, a major university or universities. Many cities have had more than one of these advantages; sometimes their existence has drawn some of these features, especially the cultural ones, to them.

In the past generation, some new economic bases for cities have arisen in the United States. In particular, the advantages of an "amenity" climate have been demonstrated dramatically in the past two or three decades. People like to live in Florida, Arizona, and California, to name but a few states; and many businesses have found it advantageous to locate in such areas, to take advantage of the attraction of the area for a skilled labor force. The electronics industry, for example, is far more dependent upon a skilled labor force and far less dependent upon local minerals than is the steel industry. Federal defense installations, with much of their supporting supply sources, have been attracted to the same areas. The advantages of some kinds of cultural centers have also been demonstrated in recent decades. Many high-technology industries want to be located near one or more large and outstanding universities. It is not only that the industry draws research results from such universities, but many of the key employees for such industries prefer to live in university communities. Thus, one can say that the old economic bases for cities have been supplemented, but not replaced, by new economic bases; but in every case an adequate economic base is a necessity. An attractive climate or natural setting may make an area desirable for retirement or for leisure living, but this is still an economic base.

A new town, to be successful, must have a resource base of high or superior quality. An established town, which developed on one basis, may continue to hang on and even to grow slowly with a mediocre or even a poor economic base; a new town cannot develop and be successful under the same conditions.

A second major requirement for success in a new town is that its population growth and its employment growth shall occur concurrently and in close parallel. Population may increase a little faster than jobs, or jobs may increase a little faster than worker housing, but the discrepancies must be slight and infrequent. If a new town were only a

satellite to a larger established city, then either housing or jobs could move ahead of the other without necessarily hindering or arresting the development of the new town. But our primary condition -- that we are considering reasonably independent new towns -- must be born in mind here. People cannot be expected to move to a genuinely independent new town unless both jobs and housing are available. They might live in a mobile home for a few weeks, to take advantage of a good job while permanent housing was under construction; or they might buy a house under the assurance that their firm was going to develop a new plant in the new town immediately. But these and other adjustments to a discrepancy between jobs and housing can apply to only a small part of the population and for only short periods of time. Not only must jobs and housing grow proportionately in general; they must also grow proportionately for each major economic and social class that is to be employed or housed in the new town. Housing designed for lower income workers will not long be acceptable to higher paid executives, for instance, nor will expensive housing be within the means of average income workers.

This point may be summarized by saying that a new town must be dynamically balanced at all stages of development. Like an automobile motor which must operate smoothly at every speed from idle to full throttle, the new town must be dynamically balanced from its earliest beginning to its full development size.

Meeting this objective or requirement is far from easy for any new town. For instance, the planners may envisage a major shopping center at some location, but merchants will be unwilling to build or even to rent stores built by others until the population has reached some minimum size adequate to provide a reasonable volume of business; meanwhile the first residents of the new town must have shops at which to buy necessary goods. Should smaller stores be built in this shopping center, to be replaced by larger ones when population justifies? Or should subsidiary shopping centers be built, whose existence may be an obstacle to development of the planned larger centers when the time is ripe? And the same problems arise for many other aspects of economic, governmental, social, and cultural life in the new town.

A successful new town must have an adequate land base as the third of its basic economic requirements. The land area must be ample for the planned population and since

there is always the possibility that the new town will grow to a size larger than originally planned, the land base should include a considerable reserve area as well. If the economic and cultural assets of the planned city center are not to be diverted or drained off into other areas, then perhaps the developers of the new town should own a substantial buffer area around their planned town. It is noteworthy that the Disney enterprises, in moving into central Florida to develop a new Disneyland, have purchased a very substantial buffer area around their planned development center, to avoid the kind of development which has taken place around the original Disneyland in southern California.

The land area for the new town should have at least modestly good natural physical features. For instance, it should not be subject to flooding, nor should it be swampy and poorly drained. A modest contrast in topography, such as a rolling site provides, is an asset. A natural body of water, or a site where an attractive artificial body of water can be created, would be desirable. Soils which are neither loose drifting sands nor tight clays would facilitate development. And other natural advantages should be sought. Though they alone would be insufficient to guarantee success, they would certainly increase the possibility of achieving it.

More important than natural features -- assuming that these were at least tolerable -- would be the cost of the land. Land costs for urban development are often high; for all residences built in the United States, cost of improved lots is over 20 percent of the price of the house and lot; for most commercial and industrial property, the land cost is higher. The basic problem is not so much the high land cost, although that is serious enough, but the very high costs of holding this land over a long period of years. As will be pointed out below, it is probably unrealistic to expect any new town to reach its full development in less than 20 years. Land held 20 years doubles in cost at less than 4 percent interest, and quadruples in cost at less than 8 percent interest. A private builder in a suburb finds high land cost a problem, but his problem, which building and selling may solve within two years, is very much simpler than that of the new town developer who must have control of all the land he will ultimately need, yet cannot build on some parts of it for 10, 20, or more years.

There are many problems in design for the most effective use of any site which will not be discussed here. The problem of managing the unused land during the development period is one which must be considered. The land must not be allowed to become a waste dump, nor a weed patch, nor an eyesore, nor the site of unauthorized and possibly illegal activities. At the same time, expenditures for its upkeep must be minimal, since any interim use would be temporary. The land management problem is not especially difficult, but neither should it be overlooked.

A fourth basic economic requirement of a successful new town is the provision of an adequate "infrastructure". Under this term is included a transportation network; water and sewer facilities; electricity, gas and telephone lines; schools, including playgrounds; parks, and other facilities or services which the individual cannot well provide for himself and which ordinarily have the capacity to serve a considerable population. Most of these will be provided by the new town's entrepreneur or by some unit of local government, though some will be provided by private utilities or even by cooperatives or residents. The quality of modern living is in large degree measured by the range, variety, and quality of these services. If a new town is to attract residents and business, in competition with existing towns, then its infrastructure must at least be very good and if possible should be superior. New towns do indeed have major advantages in this respect. The utilities can all be put underground, in multiple purpose utility tunnels, for instance; parks and schools can be located advantageously with respect to residences; street layout can facilitate walking to school and to shopping areas; and many other possibilities exist for a truly superior infrastructure.

But the infrastructure of a city is costly. The investment in these facilities in existing towns and cities is far higher than is generally realized. It has been made over a period of years, so that the cost was at no time exorbitant, and many facilities were installed in an earlier time, when costs were relatively lower than today. The most difficult aspect of infrastructure is the matter of dynamic balance mentioned above. In designing a sewerage system for the ultimate city, the planner must take into account that the cost of idle capacity will be high for many years, though building and extension are geared to population growth. On the other hand, if the sewer system is designed and built in relation to need over 5 or even 10-year intervals,

the very considerable potential economy of using larger plants is not realized. Although the relative balance between initial construction at ultimate scale (with attendant idle capacity) and incremental construction as need arose would differ somewhat from one infrastructure facility or service to another, the problem is a general one with no easy answer.

A fifth basic economic requirement for a successful new town is sufficient capital. Considering that the cost of an average dwelling unit, furnishings, and personal possessions (such as an auto) is likely to run in the range of \$35,000 per family, that the investment in land, buildings, machinery, and goods is likely to run in the range of \$20,000 per job, and that the expense of infrastructure (in all its many aspects) may well run from \$10,000 to \$15,000 per capita, one finds that the total investment in a new town of 100,000 people would run somewhere around \$2-1/2 billion. Some of this would be provided by the new residents of a town, some by the new industrial or commercial establishments located there, and by other miscellaneous sources in addition to the firm or organization that built the new town. Even if the new town were wholly a private undertaking, a number of firms or sources of capital might be involved in its construction.

However, at best the entrepreneur of a new town of 50,000 or more people must have a very substantial amount of capital if the enterprise is not to be handicapped by a shortage of funds at crucial intervals. Some of the capital might be obtained by borrowing; but this in turn creates its own problems, not the least of which is a high and fixed overhead obligation. Under any circumstances, the cash flow will be outward for many years. Even if the building of the new town should turn out, in the end, to be a highly profitable venture in the private business sense of the word and as compared with other profitable business ventures, the cash flow will be adverse for at least a decade, if not considerably longer. This does not mean long-term adversity for every participant in the process; house builders, for instance, under contract with the new town entrepreneur, might build and sell houses under conventional financing arrangements and recover their capital within a year or two. But the overall, total cash flow will be outward until repayments more than offset new investments, and that will surely be for a long time.

The building of a new town is thus not unlike the building of a new railroad in a territory previously unserved by any railroad, or the building of a new port to serve a previously inaccessible territory. Such transportation construction, uncommon today in the United States, was common here in an earlier era and will continue to be so in less developed parts of the world in the future. Capital outlay is high; risk of ultimate failure is also high; and the rate of development may well be critical.

In stressing the very severe capital requirements of new towns, I do not wish to appear unduly pessimistic. But, if the capital requirements are as stiff as suggested above, frank realization of the fact in advance and early acquisition of the necessary capital will help to insure the ultimate success of the new town. If a new town is started with insufficient capital, its success is seriously prejudiced from the start. Control of the new town of Reston passed out of the hands of its original entrepreneur primarily because he seriously underestimated the capital requirement of a new town of that size. Adequate financing cannot guarantee the success of a new town, but inadequate financing can practically guarantee its failure.

A sixth and final economic requirement for a successful new town is time. It is highly unlikely that any new town can be brought to reasonably full development in less than 20 years, even under the most favorable circumstances. The British experience with new towns is instructive in this regard. ^{1/} With very strong governmental backing for land purchase, industrial plant location, public housing construction, subsidies both to employers for plants and to workers for housing, these new towns have taken about 20 years to reach reasonably full development -- the point at which they can perhaps compete on their own to attract people and jobs without governmental help. The very limited experience in the United States with Reston, Columbia, Irvine, and other more or less major independent new towns strongly suggests that 20 years is long enough to reach a stage or more or less full development. Many factors might operate

^{1/} Ray Thomas, London's New Towns - A Study of Self-Contained and Balanced Communities, Political and Economic Planning, London, Broadsheet 510, April 1969.

to lengthen this time period; relatively few could work to shorten it much. The longer the development takes, the greater the capital requirement and the smaller the chance of providing the attraction for people and for industry that was hoped for. It simply does take time to build the various parts of the new town, to attract the jobs, to attract the people, and to develop the complex economic, social and governmental structure which a modern city requires.

The corollaries of this time problem are at least two: first, everyone concerned should realize from the beginning that time will be required, no plans should be adopted which are unrealistic about time requirements, and the results at each stage must be judged in terms of accomplishments expected at that stage; and, second, any organization, private or public, which embarks on new town building should realize the magnitude of the task it is undertaking, and obtain the capital, the entrepreneurial or managerial talent, and the mental toughness and drive necessary to push the job along at reasonable speed. New town building is no task for the timid, the inexperienced, the incompetent.

As we have noted, the social objectives of new towns are an attractive feature. In particular, the idea that new housing will be available to all workers in a town appeals to many people. However, one should realize that such social objectives are likely to be costly and that their pursuit may jeopardize the successful establishment of a new town. New towns will have plenty of difficulties under the best of circumstances; asking them to assume the responsibility for social programs which established towns are unwilling to undertake may be too much. The problem is far more than financial, although this aspect may be serious enough. For instance, public subsidy might be extended for housing in a new town to enable lower income workers to occupy (and perhaps to buy) new housing; but would the new town then appear sufficiently attractive to professional workers and higher income people to induce them to move there? Some people, surely, will be attracted by the idea of a mixed or balanced community, with people of different races, incomes, and occupations living in the same general area. But other people will be repelled by the same idea. One may denounce them as snobs or as anti-social, but one must acknowledge the existence of such attitudes. Do the numbers of those attracted by the potentials of a new town offset the numbers of those repelled

by the same possibilities? I do not attempt an answer, but I do repeat: the stress on social objectives in new town establishment is an added problem, one which under some circumstances might be decisive against the success of the new town. At the least, the proponents of a new town must carefully and realistically weigh the possible gains and costs of their social objectives.

Federal Lands as a Site for New Towns

What special advantages, if any, and what special disadvantages, if any, do Federal lands have as sites for new towns, bearing in mind the economic requirements of new towns as described in the foregoing section?

Federal lands, as they exist today, could probably provide from 10 to 100 square miles in a single piece of solidly federally-owned land. Such tracts would not be as easy to come by as the statistics on acreage of Federal lands might suggest, for most kinds of Federal land are interspersed with private holdings to some extent. Some arrangement could surely be devised to release parts of such a large tract as they were needed in the actual construction of a new town, although this might well require special legislation. And presumably this land could be made available at reasonable cost, perhaps even at a low cost. The Federal Government could absorb the costs of holding this land until it was actually needed. On the face of it, the Federal lands would seem to offer considerable advantages in meeting the land needs of new towns.

However, a closer look at the Federal lands raises some doubts. The largest acreages of Federal lands are in regions of a country where population and economic growth is rather slow. The great acreages of Federal lands lie from the Rocky Mountains to the Sierra Nevada and Cascade Mountains. By and large, this is the most thinly settled part of the United States, and has not been marked by rapid population growth since the war. The established towns in this region have had their own problems of attaining growth.

Still further, within this region, the Federal lands are often not well suited, physically, to urban development. Much of the Federal holdings are in mountainous regions where building sites would often be limited and where transportation would sometimes present a problem. Extensive areas are desert; here, water supply would often be a problem.

Many of both the mountainous and desert areas are comparatively remote from presently established cities and transportation routes. In thus raising questions about the suitability of the Federal lands for new towns, I do not mean to suggest there are no sites where a new town could be built. Some, perhaps a good many, have at least tolerable physical characteristics. However, their number is far fewer than the statistics on Federal land acreage might lead one to expect, and many of the physically usable areas would have more or less severe economic handicaps.

Military reservations in various parts of the country, if declared surplus, might have more advantages than the large acreages of national forests and grazing districts in the West.

In any event, if one or many perfect sites for new towns could be identified on present Federal lands, it seems highly doubtful that the land site alone could insure the success of a new town venture. The economic requirements for a successful new town are several, as we have noted. Unless the other essential ingredients can be guaranteed, the land site may be relatively unimportant. If public assistance is necessary for new towns in all locations, it will be necessary for the new towns on Federal land; if the hope is that private entrepreneurs can build successful new towns without much public help, then such entrepreneurs must be attracted to the Federal lands. They must be convinced that whatever terms are offered on the Federal lands are sufficiently attractive to offset any disadvantages such lands may have.

On balance, I think the Federal lands would not be a highly attractive location for new towns; and I think the building of a new town is a difficult and risky business at best. Nevertheless, I would support a proposal to build a few new towns -- from one to three, perhaps -- on sites wholly or dominantly federally-owned. I will not attempt to suggest where they should be sited; that question deserves a lot more study and analysis than I can give to it. But I would urge that none be undertaken unless all the basic economic issues have been satisfactorily resolved in advance. In particular, realistic analyses should be made of capital needs, and enough capital provided to meet not only the projected needs but to provide some reserve. A really competent entrepreneurial organization is also necessary. Both funds and organization could be wholly private, or partly private and partly public.

In my view, new towns on Federal land cannot be a major part of a solution to the whole urban crisis. (nor can new towns be a major use of Federal land). They could be helpful, though, especially if they are innovative.

A National Policy to Promote New Towns Requires New Federal Land Ownership

Instead of asking how or to what extent present Federal lands might serve as a basis of new towns, let us ask: If a national policy to promote new towns were adopted, what would be the role of Federal land ownership in the development of such towns? The question is not merely one of semantics, if one concedes the possibility of public acquisition of land for new town promotion. Any one of several bases could be the rationale for promoting new towns--a desire for a different rural-urban population balance, a feeling that the present large cities are already too large, a desire to stimulate population and economic growth in some regions, and so on. Let us assume that a national policy is adopted and carried forward vigorously to build a considerable number of new towns.

Although several factors are necessary for the success of a new town, an adequate land base at a reasonable cost is surely one basic requirement. It is highly doubtful if such a land base can be assembled by private action, except under unusual circumstances. All of the present private efforts at new town development have been waged under such circumstances and this will occur in other situations, but not often enough to give the country more than a very few new towns. In my judgment, only government action of some kind can assemble the needed land areas. The unit of government involved might be Federal, state, county, special district, or some combination of these; it might be a mixed public-private corporation, with some basic governmental powers such as the power of eminent domain. There are many forms of government enterprise in the United States; it is not necessary here to describe them, nor to argue the merits of each for this purpose; we can simply say that many alternative arrangements are possible.

But, regardless of the specific organizational arrangement, I judge that Federal money will be necessary and will probably be the predominant source of funds, perhaps in the form of equity capital or loans. In the past generation, we have seen the rise of the nonrecourse loan (mostly for

agricultural commodities), extensive use of interest-free loans (e.g., for Reclamation projects) and of subsidized loans (e.g., public housing). Any or all of these devices could be used for public purchase of land on which to build new towns. For instance, the Federal Government might make a nonrecourse loan to a state corporation to buy land for a new town; if the land were wisely purchased and managed, its price would almost surely rise and the Government's security improve, and the loan could be paid off--perhaps including a modest interest charge. But again, it is not necessary to thresh out these propositions, but merely to emphasize that many arrangements are possible.

The land so acquired by some public or quasi-public body would have to be released for private use and development as the new town grew. In addition to the critical role of assembling the land needed for the new town, the public or quasi-public body would be able to insure that land was available as needed for development, and it could bear the costs of holding the land more readily than could a wholly private organization. The release of land for private development could be by sale, either on competitive bid or under some fixed terms, or it could be by long-term lease, or by lease with options to buy at a later date and under predetermined terms. There are advantages and disadvantages to each. Again, we need not thresh out all the arguments pro and con, but merely observe there are alternative ways of dealing with the problem. The choice need not be between one form of land disposal and another, but might include several forms in varying mixtures.

In my judgment, some form of public acquisition of land, of holding it until needed, and of release under favorable terms is critical to the success of new towns, at least if more than a very few are to be established. This form of land management, or any other, will not alone guarantee the success of the new towns. All of the basic economic requirements described in the earlier section are necessary. But as will be recalled, an adequate land base is one of those requirements. In any complex economic undertaking, several factors may be equally critical; all demand consideration and the neglect of any one will likely be fatal.

If the foregoing line of reasoning is accepted, then the many lessons learned from the management of public lands

in the past could be applied to planning for these new public (perhaps Federal) lands. Land survey, title, management during the holding period, methods of sale, and other management aspects would have many similarities with management of public domain in the past. If a program of the type outlined were adopted, the responsible Federal agency might be the Department of Housing and Urban Development, or the Department of the Interior, or the Department of Agriculture, or some wholly new Federal agency. Arguments can be advanced for and against each of these; for some purposes, it makes a good deal of difference which agency is given the responsibility. But, regardless of the final choice of managing agency, it should draw upon the experience of the Federal Government in public land management.

Expansion of Present Towns

Attention has focused on the building of wholly new towns. This is in part due to the "fresh start" psychology which we discussed earlier. But I wish to conclude by suggesting that major expansion of existing towns or small cities might have many advantages. There are many U. S. cities in the 10 to 25 thousand population range that might be built up into cities of more than 50 thousand, or perhaps more than 100 thousand. There would be many problems in accomplishing this; but some of these problems would be less serious in expanding an old town than in starting a new one. For instance, it would probably be easier to coordinate the growth of jobs and of housing if a city had some backlog of each to start with. The major area of growth might be on one edge of the existing town, with a new city center developed outside the present town. New public facilities could then be built into the new area, with the old ones tying into them. There are many possibilities here that cannot be fully explored. Might it not be easier to build Dodge City, Kansas, or Garden City, Kansas, or North Platte, Nebraska, or Mount Vernon, Illinois, or Effingham, Illinois, or Vincennes, Indiana, or Fort Dodge, Iowa, or any one of several score other small cities into much larger ones -- at least 50,000 perhaps 100,000 and maybe more? To those who think this might be difficult -- and we do not deny the difficulty -- the question may well be asked: how much easier would it be to build a whole new town? If the decision were to greatly upbuild an existing town rather than to start a wholly new one, then the same arguments for public land acquisition would still apply. One of the difficult issues would be: which existing towns shall be built

up, and which not? The issue would be sharpened because towns not so stimulated would often lose out absolutely as well as relatively if towns fairly near them took on renewed vigor and growth. One basis for choosing -- but only one -- should be the willingness of local officials to cooperate in assembling enough land at a reasonable cost.

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History of Public Land Law Development. Written by Professors Paul Wallace Gates of Cornell University and Robert W. Swenson of the University of Utah. 1968. \$8.25

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